THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JULY 10, 1937 | 10c a Copy; $5.00 a Year | No. 28

The Nation's Business

- Industry and Labor
- Who Does the Most for Workers?
- Budgetting for Relief Expenses
- Moose Jaw Default
- Still Time to Review Settlement
- Newsprint Prices and the Consumer

Working Together To Aid Employees

THE employer of labor is not a figure who can be sketched with the cartoonist's pencil—a well-defined figure who can be shown either in sinister or humanitarian form. That is because there is no such thing as a typical or average employer.

There are enlightened employers and there are backward ones. Today there are rather more of the first kind than of the second.

It is from the unselfish, farsighted industrial executive that the major advances in labor standards have come; whether from Robert Owen, with his "socialistic" community of a century ago (an experiment that was, incidentally, a failure wherever labor organizers sought to duplicate it), or from men like the Rowntrees, the Levers, the Proctors or the Fords today.

It is the progressive industrialist himself who gets labor what it wants: higher wages, shorter hours, better working conditions, security of employment and insurance against life's major hardships.

W. J. Cameron of the Ford Motor Company put it concisely in an address in Detroit the other day. He advanced the view that steps in social justice have not been victories of society over business, but victories of forward-looking industry over church, parliament and people.

"There is not a labor leader in the whole history of the movement," he said, "who ever invented, contributed, suggested or forced a single advance step in social relations. All that labor leaders have done is to bring pressure upon backward members of industry to meet the advance of forward industrialists."

* * *

A SURVEY of the advantages offered to workers by most of the leading Canadian companies would demonstrate the truth of this observation. Recently The Financial Post published the amazing story of the Utopian conditions under which employees work in the smelter town of Trail, B. C.

It published also a statement from the head of the Swift Canadian Company about the pioneering work that firm has done in promoting the welfare of its employees through pensions, vacations with pay, guaranteed employment, accident prevention, sick benefits, group life insurance, employees representation and promotion from the ranks.

In the same line of industry, Canada Packers has a profit sharing plan that distributes hundreds of thousands of dollars each year to employees in extra cash bonuses.

During the Price Spreads Enquiry, the T. Eaton Company turned the tables on the prejudiced counsel who were trying to pillory it before the public by listing enormous expenditures made each year to improve the standards of living of its workers.

These are merely examples from hundreds, even thousands, that could be cited of Canadian firms that are today offering their employees greater security, more generous contributions to their welfare and a higher standard of living than could be obtained for them by the coercive efforts of demagogic labor organizers.

* * *

NOT all firms can quickly follow on the heels of the more forward ones. There are industries where the margin available to pay operating expenses is so low that capital and labor have to make temporary sacrifices while they work their companies into stronger positions that will permit larger rewards for all the partners, including the employees.

It is important for each industry to have a clear-cut progressive programme of industrial relations to work to. It should be a programme worked out between the executives and representatives of the employees. The programme should go far beyond present possibilities in order that an incentive may be provided for all to contribute to its achievement.

No matter how ambitious the programme it can be completed only by increased production and improving efficiency. There must be more goods produced to be sold at lower prices. No industry can distribute more than it has left over after it has paid for raw materials, taxes, power and other expenses. Workers can do much to enhance productive efficiency and to effect economies. As they do they are certain to be immediate beneficiaries.

* * *

IT IS customary for intellectuals, high in the dome and short in the sight, to fashion fancy theories on the fallacious concept that there is some fundamental conflict between capital and labor. Getting down to practical cases, there is no such conflict between employer and employee in any well-run establish-

(Continued on page 2, col. 3)

Advance is Likely In Autumn Prices For Car Models

Increase Is Believed Inevitable Due to Higher Costs

SALES NEAR PEAK

Canadians may have to pay 10% more for their cars when the new 1938 models are announced this fall. Details will not be available for some time as parts manufacturers are still busy working out cost schedules.

Practically everything that goes into the modern automobile has advanced sharply in the last 12 months; labor, steel, cotton, glass, copper, lacquers and rubber. In some instances there has been a decline from the very high levels of commodities a few months ago although present levels remain substantially above those prevailing before the rise. Raw rubber, for instance, in the past year advanced from 15 cents per pound to 30 and since has receded to 20 cents.

Notwithstanding the epidemic of strikes which hampered the motor car industry early in the year, total production and sales in Canada have been higher in the first six months of the current year than for the same period in 1936. Indications point to the best total volume since 1929 and even that peak year may be exceeded. If this rate of increase is maintained, naturally costs per unit may be lower than anticipated and the increase in retail prices may not be as high as expected. But some general upward revision is considered inevitable, The Financial Post is informed.

Introduce Gently

Due to the fact that there has been no general increase in car prices since the war years the new trend will probably be introduced as gently as possible. Less costly models may be used to replace the present range of lowest priced lines. Non-essential but expensive equipment may be eliminated so that the purchaser can continue to get his preferred model at something close to the old price. Part of the free service offered with current purchases may be discontinued.

Efforts on the part of certain manufacturers in United States last spring to jack-up prices failed, it is said, because of lack of co-operation. Some relief was secured by adding and increasing the price of accessories. This round-about method, however, was not applied generally in Canada, it is understood.

Sask. Deficit May Be Less

Lower Relief Costs Are Factor in Improved Situation

Deficit of the Province of Saskatchewan on ordinary account in the year ended April 30, 1937, amounted to $1,125,597, The Financial Post is informed. This is a slight increase over the previous fiscal year when the deficit amounted to $929,974.

The real deficit for the year, which includes the cost of agricultural aid and unemployment relief, is not available as yet as figures for expenditures on these services have not been compiled. It is estimated, however, that the overall deficit will be smaller than in the 1935-36 fiscal year, when it amounted to $16.6 millions.

In the 1935-36 fiscal year the total cost of agricultural and unemployment relief in Saskatchewan amounted to $20 millions, of which the province's share was $16.4 millions. In the 1936-37 fiscal year, however, the province's share of relief costs was considerably smaller due to the assumption by the Dominion Government of most of the cost of relief services in the drought areas.

In his budget speech delivered in March last, Premier W. J. Patterson, stated that expenditure on relief during the first eight months of the 1936-37 fiscal year had amounted to $9.6 millions. Deducting from this federal grants and repayments the net cost to the province was $4.3 millions. Even assuming a large increase in relief costs during the winter months it appears that final figures may show the overall deficit reduced to $10 millions.

Ottawa to Finance C. N. R. Terminal

From Our Own Correspondent

MONTREAL. — The Federal Government will advance the necessary funds to complete the Canadian National Railways terminal development at Montreal, according to unconfirmed advice from Ottawa. When the depression started in, this work was abandoned, after having spent about $7 millions on expropriation and excavation work. It is estimated that about $20 millions will be needed to complete the project.

Central Bank Bonds Higher

Foreign Securities Holdings Increase $5 Millions During Week

Holdings of foreign securities by the Bank of Canada advanced a further $5 millions to $10 millions last week. This item made its first appearance in the central bank's balance sheet two weeks ago, and is understood to comprise short-term securities of the United States and the United Kingdom.

As was pointed out in The Financial Post at that time, the most likely purpose of the account appears to be to offset any temporary fluctuation in the exchange value of the Canadian dollar. In effect, it is a fund, slightly less liquid than reserves held in the form of foreign currencies, which may enable the bank to take care of a sharp withdrawal of funds from the Dominion.

Despite the increase in holdings of foreign securities, liquid foreign assets of the bank dropped $5.5 millions from the previous week. This it attributable to a decline of $10.5 millions in reserves held in sterling and in American dollars, which is taken to reflect Government financing operations.

Under the provisions of the Bank of Canada Act, the central bank may purchase and sell securities issued by the United Kingdom, the United States or France which mature in less than six months. Holdings of securities issued by those countries, but bearing a longer maturity date, are limited to one-half the amount of the bank's paid up capital. Consequently, at least $5.1 millions of the bank's holdings of "other securities" mature within six months.

Dosco Plant At Capacity, Market Good

Steel, Coal and Iron Ore Sales All Better — Profits Higher

From Our Own Correspondent

MONTREAL.—With operations in every department of its business showing improvement over last year, indications are that profits of Dominion Steel & Coal Co. in the current year will be substantially higher and that the company will also report a marked improvement in working capital. It is too early to determine what final results will be, but prospects are that earnings will be sufficient to meet all interest requirements and leave something available for the common stock.

At present the steel plant at Sydney is operating at capacity and employment is at a peak. Indicative of the improvement are the three wage increases which the company has granted its employees in the past seven months. Volume of business at present on its books indicates that the company will be able to continue the present rate of production for the remainder of the year.

As in the past, a considerable portion of the company's production is being sold abroad, but it is possible that 1937 exports will be somewhat smaller due to increased domestic demand. The reduction in the British import duty on steel to 12½% is regarded as a constructive factor for the company.

Subsidiary Operations

Operations of the company's wholly owned subsidiaries, the Halifax Shipyards, Peck Rolling Mills, Security Fence Co., James Pender & Co., St. Lawrence Wire Co., and Seaboard Power Corp., have also recorded improvement over 1936.

Sales of Dominion Coal Co., another of the company's subsidiaries, are well ahead of last year. Output to the end of May totalled 1.6 million tons as against 1.4 million tons for the same period in 1936. Dominion Steel should benefit from the refunding of this company's bonds. In this connection Dominion Steel will receive $1 million from Dominion Coal through sale to the latter of the capital stock of Cumberland Railway & Coal Co. As a result working capital of Dominion Steel should show improvement.

Another important factor is the substantially higher sales of iron ore from the Wabana Mines. Sales this year will amount to about 1.7 million tons, or nearly double the 1936 output. Of this, Germany is taking 800,000 tons, and a shipment of about 250,000 tons is assigned to Great Britain.

In the past, Great Britain has not been a very important customer for Wabana ore, but as a result of the Spanish situation it is possible that an increasing market will be found in the Old Country. Supplies from Spanish mines have been cut off as

(Continued on page 2, col. 5)

Close Vote Expected On Can. Hydro Plan

Company Holds 20-to-1 Block of Favorable Proxies

NEED 75% IN FAVOR

Proxies for more than 22,000 first preferred shares may vote against the Canadian Hydro-Electric Corp. plan of recapitalization at the special meeting of shareholders at Ottawa on July 15. But the company has a greater number in favor of the plan.

The Financial Post is informed there is a total of some 15,000 shares owned in London, England, that may be voted against the plan, but some uncertainty as to the English vote is suggested.

It is understood also that proxies for more than 7,000 shares against the scheme have been gathered by Canadian General Securities Ltd., on behalf of Canadian General Investments and Third Canadian General Investment Trust, firms headed by Senator Rt. Hon. Arthur Meighen.

Required Votes

There are 121,960 shares of Canadian Hydro 6% first preferred outstanding, and 75% of those shares at-

(Continued on page 2, col. 6)

Bell Telephone Outlook Good

Drive in Rural Areas Successful—Look for Larger Revenue

From Our Own Correspondent

MONTREAL.—Further expansion in operations is reported by the Bell Telephone Co. of Canada and income account for 1937 is expected to show larger earnings than the $6.94 a share in 1936.

Special efforts have been made by the company to increase the number of rural stations in service. Urban installations have come back rapidly and are now greater in number than at any time since the depression set in. In the rural areas, however, new installations have been slow until of late.

At the end of last December, rural stations in service on the whole system numbered 31,225, of which 11,503 were located in the eastern area and 19,722 in the western area. At the end of last May there were 33,462 rural stations, of which number 12,692 were in the eastern division and 20,770 in the western area.

The distribution of rural stations and the gain reported since the end of 1936 follow:

	December 1936	May 1937
Quebec Division	6,122	6,831
Eastern Ontario Division	5,381	5,861
Total Eastern Area	11,503	12,692
Central-Northern Division	10,526	11,127
Western Division	9,196	9,643
Total Western Area	19,722	20,770
Total System	31,225	33,462

Ahead of Last Year

It is understood that the reduction in telephone rates, which became effective on April 1 and May 1 last, have been very largely offset by increased use of the telephone. The gain has been minimized to some extent by the fact that the falling off in stock market activities has resulted in withdrawal of a fairly large percentage of brokers' equipment.

No interim statement has been issued by the company on earnings this year, but it is presumed that net revenue is running ahead of 1936, since all wage reductions have been restored, while the dividend on the capital stock has been advanced to the predepression level of $8 a share.

Highlights

Scramble for Air Control

The Dominion Government retains control of the Trans-Canada Airways system but many groups are after rights in the centres which have been left clear. Page 11

Silicosis

A new aluminum treatment promises success in curbing this menace among miners. Page 20

Canadian Cottons Tax

The Dominion has filed a claim for $524,271 against Canadian Cottons Ltd. and now the company has prepared its answer. Page 3

"One-Share" Sweeney

William R. Sweeney is a frequent and critical attendant at shareholders' meetings "just for the fun of it." Page 3

Conquering Cariboo Curse

A system of deep lead mining has opened the way for development of gold-bearing gravels by Consolidated Gold Alluvials at Wingdam, B.C. Page 19

Regulating Unions

Canadian industry asks for legislation governing union operations by civil as well as criminal law. Page 8

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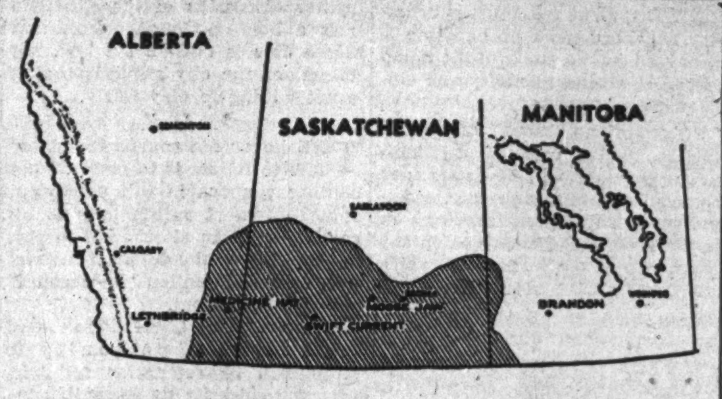
Drought Ravages Grain Crops Costs Canada $250 Millions



DROUGHT WINS AGAIN

Shaded portion shows approximate area where searing heat has completely blasted wheat and other crops. Southern Saskatchewan faces its greatest crop failure and fringes in Alberta and Manitoba have also been scorched. On the edges of the extreme drought area amount of crop salvage is dependent on rain and cooler weather. Well beyond shaded portion of map wheat prospects range from fair in Alberta to good in Manitoba, though rust has appeared in latter province.

Harvest Estimates Slashed in Half by Heat Damage in Saskatchewan and Alberta — Manitoba Affected

Shrivelling heat in the Prairie Provinces this week has cost Canada over $250 millions. Crops have been blasted over the greater part of Saskatchewan and prospects reduced disastrously in much of Alberta as well. For the fifth year in succession drought has taken enormous toll.

A fortnight ago indications pointed to a possible total wheat yield of 300 million bushels. Today estimates range from 150 to 200 millions and other grains have suffered in like proportion. In wheat alone the cash loss has been close to $150 millions.

A total wheat yield of 200 million bushels, and there are few crop estimates as high this week, would be the smallest crop Canada has ever harvested since wheat growing assumed major proportions. It would be little more than half a normal yield and nearly 400 millions below the record harvest of 1928.

To the growers there will be some compensation in higher prices for that portion of the crop saved. And there will be higher farm purchasing power for implements, furniture, automobiles and other goods in the northern areas which have escaped the drought. But elevators built to store Canada's wheat, railways to haul it and mills to grind it, will all suffer from lack of volume. In addition, another year of relief faces the burnt out areas where gardens and livestock fodder have been destroyed along with the wheat.

While this is undoubtedly the worst wheat crop failure Canada has ever experienced the drought area this year is not nearly as wide as last season. There is still every indication of fair crops in much of Alberta and northern Saskatchewan, while Manitoba has come through almost undamaged. In contrast to the record drought of last summer in Ontario, all crops this season promise abundance and prospects are almost equally good in Quebec, the Maritimes and British Columbia.

Railways Affected

From Our Own Correspondent

MONTREAL.—Prospects of heavy wheat movement this year have practically disappeared. As far as can be determined at this time there will be a relatively small amount of wheat available for movement in the districts served by the Canadian Pacific; the Canadian National may have as much to move as last year; while the water-borne movement from the head of the lakes this fall will be distinctly light.

The wheat movement has a very definite bearing on the fortunes of the transportation companies. Last year 11.260% of the 75.5 million tons of revenue freight carried by Canadian railways consisted of wheat. This does not tell the whole story for to realize the importance of this commodity in the revenue freight picture, it is necessary to look at the returns for the Prairie Provinces.

Last year 22.817% of all the revenue freight handled in Manitoba was made up of wheat shipments. In Saskatchewan a little better than every other ton—57.631%—of freight handled was wheat. The wheat traffic in Alberta was equally important—almost one in every three tons of revenue freight carried by the railways.

Carryover is Small

In recent years the short wheat crop has been very largely offset by the carryover, but such will not be the case this year. On June 25 last, the amount of wheat at country elevators and the head of the lakes was only 15.1 million bushels. This contrasts with 73.7 million bushels on June 26, 1926, and 135.6 million bushels on June 28, 1935.

It is difficult to tell just how the Canadian Pacific and Canadian National Railways, as well as steamship companies like Canada Steamship Lines, will be affected by the small carryover and prospective short crop of wheat. The Canadian Pacific report does not give particulars of wheat carried, all agricultural products being lumped together. While the conditions along the prairie lines of the C.P.R. are not encouraging, more especially in Saskatchewan, it should be remembered that the area served had a short crop last year. Accordingly the returns may not reflect the unsatisfactory wheat crop.

Revenue freight in other fields, on the other hand, has shown an appreciable increase and had there been a large wheat crop in the West this year, the Canadian Pacific would have been able to make a very good showing. As it now stands the company will have to look to other fields for any marked gain in revenue freight this year.

C.N.R. Prospects Fair

Last year the Canadian National handled over 4 million tons of wheat, or about 135 million bushels. This was just under 10% of all revenue freight carried by the system.

Present prospects are that the C.N.R. will not handle any more wheat in 1937 than it did in 1936; in fact, the tonnage carried may be less in view of the contraction in the carryover. It would appear that the best the Government-owned system can expect is to equal last year's mark.

The Great Lakes shipping firms are likely to be hardest hit by the prospective short crop of wheat. The amount available for export is likely to be appreciably less than last year. On top of that the carryover at the head of the lakes has shrunken to negligible proportions, so that not much can be expected from moving the carryover, which has been an important feature of the traffic in the last three years.

To companies like Canada Steamship Lines, wheat movement from the lakehead to the seaboard, is of considerable moment. This type of freight represents "bread and butter" to them. However, the steamship companies have been compensated in other directions, by an increased movement of coal and iron.

Western Grain Firms Face Worse Prospect

Earnings Cut and Outlook Darker — Most Companies Carry Debts

From Our Own Correspondent

MONTREAL. — Default of July bond interest by Western Grain Co. draws attention to the adverse situation of grain and elevator companies operating in western Canada. Prospects are that 1937 earnings will be lower than in 1936 when they were considered unsatisfactory, and the companies face an even worse year in 1937-38.

Disposal of the Canadian wheat carryover means that there are no more earnings from the storage of wheat from one year to another. And the prospect of a very poor crop this year means small handlings. Also there is the probability of a price structure in the wheat market which will not permit the companies to buy cash wheat and store it against sales of futures at higher levels.

Policies of three companies with regard to their securities are outlined to The Financial Post as follows:

Reliance Grain Co.—Will continue paying preferred dividends as long as the financial position of the company warrants doing so. But in view of poor crop prospects the probability is that this year will be unprofitable for Reliance as well as for other companies. The company's 192 country elevators are favorably located, mostly in northern areas which have not been stricken as badly by drought as southern prairie territory. The company has maintained a strong liquid position, and has paid its 6½% preferred dividends regularly since 1928.

Federal Grain Ltd.—Will pay bond interest due Aug. 1 as earnings have covered charges after depreciation through depression. This company's 162 country elevators are well located, mostly in northern areas. The company is in a strong working capital position.

Alberta Pacific Grain Co. — Did not meet sinking fund payment June 1 and will hold a bondholders meeting this autumn to request further extension of these payments to allow further improvement of working capital position. Present prospects are for maintenance of bond interest, but further extension of crop damage this year or continuation of drought in future years might require revision of this prospect. There is, of course, no prospect of preferred dividends. The company's 370 country elevators in Alberta and Saskatchewan are scattered between southern and northern locations.

While official reports from other firms are not available, their position is reasonably clear.

N. Bawlf Grain Co. has been earning bond interest, but has been earning only a few cents a share on the preferred stock and there is no prospect of dividends. The 116 country elevators include many in northern areas. It has been able to increase working capital slowly by not paying preferred dividends and partly because it has only $300,000 of funded debt outstanding.

United Grain Growers, which covered its bond interest after depreciation last year, will show the effects of a lean business year for the period ending July 31. Although bond interest will be paid, the annual dividend on the common shares which was 75 cents a share last year and $1 in 1935 is in question. Its 442 country elevators are scattered through the three prairie provinces and as partly a co-operative firm it has sidelines in distributing farm supplies.

The adverse position of **Western Grain Co.**, which has been unable to earn bond interest after allowing depreciation, is outlined in a letter from A. C. Reid, general manager, explaining the passing of July bond interest:

"It is regretted that it was necessary to take this course but in view of the unprecedented crop conditions which have developed in the Province of Saskatchewan there was really no choice in the matter. At the present, the whole of the southern half of the province, as well as a large part of the central and western areas, is a complete crop failure and it is not anticipated that any grain will be harvested for market. Unfortunately the majority of the company's elevators are located in this area. Crop deterioration is extending northward from day to day and unless timely rains and plenty of them are received in the immediate future, this disaster will continue to spread. Under these conditions our elevators are being closed up where there is no possibility of obtaining a handling, and all expenses, as far as possible, are being eliminated."

Inventories Hedged

Unlike industrial or merchandising firms, the grain companies will reap little profit on inventories as a result of the rise of wheat prices. With bank loans against inventories, the companies' grain holdings are hedged so as merely to give them storage and handling fees.

Comparative figures for the six companies are as follows:

Earnings of Grain Companies

	Times Bond Int. Earned after deprec. 1936	1935	Earn. per sh. on preferred 1936 $	1935 $
Alta.-Pacific	0.98	1.06	d0.45	+
N. Bawlf	1.04	1.06	0.01	0.05
Federal	1.04	1.13	d0.31	0.47
Reliance	4.16	2.12	12.74	4.69
United G.	1.06	2.10	*0.03	*1.18
Western	0.79	0.64	d1.72	d3.04

*Common stock. +No balance after expenses. d. Deficit per share.

Figures Reveal Drought Effects

Canadian wheat crop statistics since 1928, showing the sharp reduction of volume by drought, are as follows:

	Bushels
1937*	200,000,000
1936	229,000,000
1935	277,000,000
1934	276,000,000
1933	281,000,000
1932	443,000,000
1931	321,000,000
1930	421,000,000
1929	304,520,000
1928	566,700,000
Predrought Average	
1928-1932	411,000,000
Drought Era Average	
1933-1937	252,000,000

*Estimated July 7.

Bank of Nova Scotia Names Vice-Presidents

H. F. Patterson and Hon. W. D. Ross have been elected vice-presidents of the Bank of Nova Scotia. Both have been associated with the bank for some time, Mr. Ross, a former lieutenant-governor of Ontario, as a director, and Mr. Patterson as general manager, a position which he will continue to hold.

Suggests Ontario Will Deal With Beauharnois Contract

The cancelled power contract of Beauharnois Light Heat and Power Co. with the Ontario Hydro will ultimately be settled by the Ontario Government, according to an informant friendly to Premier Hepburn. So far, however, Mr. Hepburn has declined to discuss publicly the possibility of a new Beauharnois power contract and only a few days ago stated that there are no negotiations at present.

Both Beauharnois and Ontario Hydro parties in litigation over the cancelled power contract have been preparing to take the case to the Privy Council in England. Up to the present the Beauharnois contract has been upheld by the courts.

False Rumors

Recurrent rumors of new contract negotiations with the Ontario Hydro have caused fluctuations in Beauharnois Power 5% bonds several times in recent months, but the rumors have proved false. One recent report in connection with Beauharnois was that T. Stewart Lyon, chairman of the Hydro-Electric Power Commission of Ontario, would resign that position. Two high authorities consulted by The Financial Post on the reported Lyon resignation commented, that "there is not a word of truth in it" and that "it is not even in the wind."

The Toronto Telegram has reported subsequently that Mr. Lyon's resignation is imminent. It reported Premier Hepburn as stating, however, that he had no knowledge of resignation of Mr. Lyon and had not requested it, but the report added: "The words in which the Premier framed his answers to questions suggested that the Hydro chairman's resignation would not be unexpected."

In suggesting that the Hepburn Government will eventually arrange some sort of settlement with Beauharnois, The Financial Post's informant comments that the original contracts were iniquitous, but that the cancellation was ill-advised and was due largely to the impulsiveness of one man, the former attorney-general, Arthur W. Roebuck. Mr. Roebuck this year resigned both his cabinet post and his position as a Hydro Commissioner.

Abitibi Affair Still Dragging

Negotiations For Compromise Continue — Inspectors Named

Negotiations are continuing between representatives of the Abitibi Power & Paper Co. bondholders' committee and the liquidator of the company. R. S. McPherson, C.A., in an endeavor to unify the plan of reorganization drafted through the bondholders' committee with that recently presented by the liquidator.

The bondholders' committee's plan, which has been approved by the preferred shareholders' committee, has not yet been published.

The Financial Post understands that the principal point of difference in the two schemes is the method of distribution of new securities to preferred and common shareholders. The McPherson plan proposes a definite issue of 11.84% of the initial new common stock to the present common and the remaining 88.16% to the present preferred stock. It is understood that the bondholders' committee's plan of judicial sale is to issue to the liquidator a block of new securities which would have to be divided later between the common and preferred.

There are other important differences as to the method of legal procedure and as to issue of new common stock to bondholders. All groups are agreed, however, that bondholders' claims must be satisfied in full.

Three Inspectors

Appointment of inspectors to advise Mr. McPherson gives representation in the Abitibi negotiations to shareholders who are not associated officially with the preferred shareholders' committee, and also to common stock. J. H. Gundy, president of Wood, Gundy & Co., has been appointed an inspector representing preferred stock held by his firm and other shares not deposited with the preferred stock committee. It is understood that Wood, Gundy & Co. is the largest registered holder of Abitibi preferred.

Either Robert L. Crombie, manager of the Royal Trust Co., Montreal, or Roy H. Stephenson, general manager of the Crown Life Insurance Co., will be inspector representing the preferred shareholders' committee.

The third inspector, William Collin Brooks, editor of the London Sunday Dispatch, represents Lord Rothermere, who holds or controls some 250,000 Abitibi common shares.

It is understood that Lord Rothermere's interests represented by Mr. Brooks are also large holders of Abitibi bonds and preferred shares as well as common stock.

In the affidavits in connection with appointment of inspectors, it is stated that the preferred shareholders' committee represents 30.8% of the 7% preferred stock and 34.1% of the 6% preferred.

MEN'S SHOP

Accessories for Summer

The Men's Shop features white shirts and summer ties selected to please exacting tastes, and offering a very wide choice indeed.

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BAY STREET SECTION

EATON'S-COLLEGE STREET

Bond Sales

Town of Truro

The town of Truro, N.S., has sold $41,800 of 4% debentures to Johnston & Ward, investment dealers. The issue consists of $13,800 of 4% debentures dated July 2, 1937, maturing July 2, 1967; $7,500 maturing 1957; and $20,500 maturing 1952. Johnston & Ward bid 101.80 for the 30-year debentures, 102.03 for the 20-year debentures and 102.31 for the 15-year. Bids for the issue were as follows:

	Bids 4% 30-yrs.	4% 20-yrs.	4% 15-yrs.
Johnston & Ward ..	101.80	102.03	102.31
Acadia Trust Co. ..	97.25	101.88	102.14
Eastern Secs. Co. ...	100.57	101.76	101.76
Irving, Brennan & Co.	101.17	101.57	101.73
T. C. Douglas Ltd. .	.....	101.73	101.73
Royal Secs. Corp. ..	99.02	101.02	101.42
Cornell, MacGillivray Ltd.	*101.37	101.37	101.37
Dom. Secs Corp. ...	*100.79	100.79	100.79

*Bid for all maturities.

R. C. School Commission of Magog

The Roman Catholic School Commission of Magog has sold $80.000 of 3½% non-callable serial bonds to L. G. Beaubien & Co., Ltd., Montreal investment house, at 96.09. The bonds are dated June 1, 1937, and mature June 1, 1938-67. Bids were received on an optional basis for 4% and 3½% bonds.

The net funded debt of the commission including this issue amounts to $208,400. Bids were as follows:

	Bids 3½%	4%
A. E. Ames & Co.	....	99.16
Dominion Securities Corp.	95.28	99.28
Canadian Bk. of Commerce	94.98	100.33
L. G. Beaubien & Co. ...	96.09	100.09

• • •

Fabrique de la Nativité de la Sainte-Vierge

Fabrique de la Nativité de la Sainte-Vierge has issued $390,000 of 4% bonds, due 1938-52, which are being offered by Société Générale de Finance, Inc., at 100 and interest. The new bonds will be used to redeem present 5% and 5½% issues.

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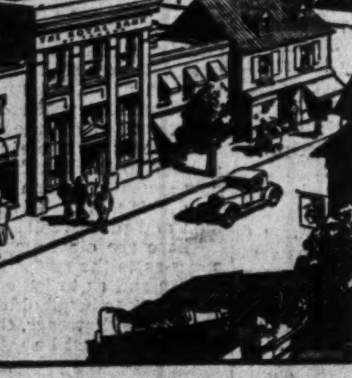

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The Nation's Business

(Continued from page 1)

ment. Both are partners in a common effort. In those rare cases where the employer himself fails to recognize the partnership basis of the community he heads, there is trouble ahead, trouble for all because the joys and sorrows of any business are shared alike by those who have invested their money in it, those who administer it and those who work for it.

• • •

The Unbudgetted Relief Budget

IT IS stated that the Dominion Government will reduce the grants to the provinces for direct relief. That some reduction is necessary and need work no hardship is evidenced from a study of the rising indices of business activity and employment in Canada.

No doubt the amount of the reduction in the case of any individual province will be determined by some rule-of-thumb rule, modified by political pressures from or on the provinces themselves. In any event, this is the manner in which these grants have been fixed in the past.

• • •

CANADA has a National Employment Commission, composed of a group of men and one woman who have been studying the relief problem, along with related problems, for over a year. There is reason to believe that the commission has urged upon the Government the adoption of a businesslike system of budgeting and controlling relief expenditures. The Government has yet failed to accept the advice or to take advantage of the services of the commission in studying and revising the budgets so presented.

In Canada, today, each government is trying to get out from under relief costs. Each government is willing however to have a share in the expenditure of the money. It is noted though that Saskatchewan municipalities are asking to be relieved of all responsibility for relief administration while a similar view was expressed by the special relief committee of the Alberta Legislature.

If we do not reorganize relief administration at this time, when the country as a whole is moderately prosperous (despite distressing conditions in a few individual areas such as southern Saskatchewan), we can never hope to do the job when times get really bad again.

• • •

Moose Jaw In Default

APPARENTLY in defiance of the laws of Saskatchewan, Moose Jaw has defaulted July bond interest. The city says it will pay 60% of interest due July 1, not "on account," but as full discharge of the amount due, the minimum payment, however, to be at a 3% rate.

The course of events immediately preceding the default started last December when the city applied to the Saskatchewan Local Government Board requesting a reduction in the rate of interest. For many years, the Local Government Board has given fair and conscientious administration in such matters of municipal finance, creating confidence among both the municipalities and their creditors.

In March, the board conducted hearings. The city pleaded inability to meet its debenture obligations, and asked that the board cut the rates. Spokesman for the bondholders stated that the city's need for alleviation of its financial burden was recognized but that bondholders could not agree to the straight cut in interest rates temporarily, particularly because it would be unfair for holders of long-term bonds to make sacrifices which would permit holders of early maturing bonds to get back their money without an equivalent sacrifice. He submitted an alternative plan of financial reorganization intended to enable the city to meet its obligations in full over a 30-year period by rearranging debt maturities on an annuity basis and application of sinking fund to principal repayments.

• • •

THE Local Government Board in May reported to the Government that an order should be made varying the city's bond interest by a 40% cut in all interest payments due from July 1, 1937, to June 30, 1938. It was so ordered. But the order to cut interest was not to be effective if 20% or more of the city's debt expressed opposition within 30 days.

Unfortunately the board failed to broadcast the official notice of the order. British investors, who hold approximately half the Moose Jaw debt, got a rude shock when they learned of the proposals unofficially. They received the impression that the board was going to thrust the interest cut upon investors, whereas the board left the way open for bondholders to protest even though its notice was inadequate.

• • •

THE next development was presentation by Mr. Fortin of dissents from approximately 40% of Moose Jaw bondholders. This made the board's order ineffective under Saskatchewan law. In presenting the dissents, Mr. Fortin made it clear that debenture holders recognize the financial problem of the city and are prepared to discuss with the city and the board some more suitable methods of settlement.

Notwithstanding that the Local Government Board's order to cut interest had been rendered ineffective by dissent of 40% of bondholders, the Moose Jaw council on June 23 passed two resolutions to the following effect:

1. The city for one year will pay only 60% of interest due, in full discharge of interest, with a minimum rate of 3%.
2. The city is willing to discuss further with bondholders the question of a debt settlement.

• • •

IN EFFECT, the resolutions mean that the city is attempting to usurp for itself the powers of the Local Government Board. And by proposing an illegal settlement of interest coupons at 60 cents on the dollar it tries to put a pistol to the creditor's head as an invitation to further discussion of the situation. It is a hold-up, in the sense that Moose Jaw is outside the law. By its actions the city suggests that it is not willing to play fairly.

• • •

THE honorable course for Moose Jaw to follow is to meet its debenture coupons in full pending a debt settlement satisfactory to all parties; or as an alternative to pay, say 60 cents on the dollar of interest due, as a distribution "on account" pending settlement.

Meanwhile the Local Government Board has an opportunity to strengthen its reputation for fairness and sincerity by correcting the city's stand, ordering that the reduced payment is only to be considered a distribution "on account," and finally by bringing representatives of the city and its bondholders together to work out a permanent rather than a temporary plan of settlement.

• • •

Newsprint Makers Must Play Fair

AN OPINION very widely held in this country is that Canada dominates the newsprint markets of the world, and now that demand is overtaking supply, the consumer should be made to pay enough to compensate for the low prices of recent years. Some manufacturers subscribe to this view. American publishers, who purchase about 80% of the Canadian output, are concerned about the outlook. In order to make themselves less dependent upon Canada as a source of supply they have been encouraging the manufacture of newsprint from southern slash pine. The southern United States contain an important supply of fast-growing pine and have other advantages which, if utilized for the commercial production of newsprint, would seriously jeopardize the welfare of the Canadian industry.

There is a tendency to take lightly the development of a southern newsprint industry, because of the difficulties which have been encountered in the past. It is unwise to minimize the potential threat of slash pine, for it is not inconceivable that the centre of the newsprint industry may swing from Canada to the southern States, which are now the centre of the kraft paper industry.

Eventually southern newsprint may be a competitor of Canadian newsprint, but that day may be far distant if the Canadian manufacturers adopt and carry out a policy which will consider the interests of the American publisher, their principal customer. The Canadian newsprint industry cannot afford to gouge.

Dosco Plant Working At Capacity Level

(Continued from page 1)

the result of seizures by both sides in the Spanish civil war. Arthur Cross, president of Dominion Steel, is at present in Great Britain and it is possible that during his visit there he will try to develop a wider market for Wabana ore.

Higher wages and other factors will tend to hold earnings down to some extent, but this will be offset in part by higher prices for the company's products.

Prefontaine Is Named To Quebec Power Board

MONTREAL. — Leonard Prefontaine, manager of the electrical system of the City of Sherbrooke, has been appointed vice-president of the Quebec Electricity Commission.

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Close Vote Expected On Can. Hydro Plan As Meeting Nears

(Continued from page 1)

tending the meeting must be voted in favor to make the plan binding. If all the outstanding shares were represented at the meeting, which is considered improbable, a total of 30,491 adverse votes would be necessary to defeat the plan.

An 80% representation would be considered high, and with four-fifths of the shares represented, 24,393 shares would be sufficient to defeat the plan.

It is understood that Mr. Meighen will probably attend the meeting to represent his companies.

The directors' proposals are to wipe out Canadian Hydro, which controls Gatineau Power Co., and to issue one 5% preferred share and one common share of Gatineau Power for each share of 6% first preferred of Canadian Hydro which will carry dividend arrears of $12.50 a share at Dec. 31, 1937.

Alternative plans have been proposed to the company by Canadian General Securities, in order of that firm's preference, as follows:

1. 1¼ shares of Gatineau 6% preferred.
2. One share of 6% preferred and one common.
3. One share of 5% preferred and two common.

Votes in Favor

From Our Own Correspondent

MONTREAL. — Indications now are that a quorum will be present at the Canadian Hydro meeting next week, when the plan to merge the company with its operating subsidiary, Gatineau Power, will be voted upon.

Proxies for over 50,000 shares received by the management to date have favored the proposal, the ratio being over 20 to 1, without taking into consideration, however, proxies against the plan that have not been sent to the company. Opposition is not so much to the broad principles of the proposal as to the terms. The company is receiving proxies at a rate of about 2,000 shares a day.

In a letter, dated June 24, the management set forth more clearly its policy as regards dividends on the new 5% preferred stock of Gatineau Power. In the official memorandum, it was stated that Gatineau could not safely declare dividends to Canadian Hydro until provision had been made for refunding or payment of the debentures.

This statement was interpreted in varying ways, but mainly that Gatineau could not pay any dividends until the debentures had been refunded.

In a letter dated June 24 and sent by the management to all shareholders, Gordon Gale, president, stated that Gatineau Power directors have informed Canadian Hydro that it will be Gatineau's policy to pay dividends as they accrue on the new 5% preferred "even if the debenture refinancing were not completed as soon as expected."

While there is no absolute decision on the matter of dividends, payment will be made unless there is some major upset to present plans. Such is unlikely in view of the continued improvement in Gatineau Power's position both as regards operations and income.

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

Shareholders' Rights to Profits and Dividends Will Be Realized

EACH AND EVERY DAY from the very outset proxies and congratulatory messages from shareholders, dealers and jobbers throughout the Dominion have been received in increasing numbers in favour of Mr. R. E. Haire—demonstrating the urgent demand by the trade and the vast majority of shareholders for a return to experienced, competent management.

"G. L. A." to-day is a manufacturing and sales organization Dominion-wide in scope due to the vision, sound policies and able management of Mr. R. E. Haire, founder and former President and Managing Director.

Under Haire's management the company always led the field in sales.

Under Col. Cockshutt's management the company definitely lacks experienced competent direction and leadership of those trained in the business. This lack of experienced aggressive management has permitted competitors to make extensive inroads on the business that formerly was enjoyed by "G. L. A."

Competitors have easy sailing against Gypsum's present management. Gypsum's sales under Cockshutt's management have definitely lagged—have been less in each of the years 1933, 1934 and 1935 than they were for the year 1932, and just slightly more in 1936 than in 1932 which latter year was the worst year for business generally. This poor showing by the present management and its failure to keep pace with competition and improvement in the building business, is emphasized all the more by their glaring failure in two illustrative cases:

1. THE PRESENT MANAGEMENT RECENTLY FAILED TO SUCCESSFULLY COMPETE FOR A SIZEABLE ORDER EVEN FROM ONE OF ITS OWN INNER CIRCLE, W. C. PITFIELD, IN CONNECTION WITH WORK AND REPAIRS ON MR. PITFIELD'S RESIDENCE IN CARTIERVILLE (OUTSIDE MONTREAL). MR. PITFIELD IN EFFECT IS REALLY PART OF THE PRESENT MANAGEMENT SINCE HE HAS HIS REPRESENTATIVE ON THE BOARD. NEVERTHELESS, IN THE PAST SIXTY DAYS A LEADING COMPETITIVE COMPANY WAS ABLE TO OBTAIN AS AGAINST G. L. A.'S MANAGEMENT, A VERY SUBSTANTIAL ORDER FOR PRODUCTS THAT G. L. A. COULD JUST AS WELL HAVE SUPPLIED.

2. WE ALSO HAVE IT ON WRITTEN AUTHORITY THAT MR. G. A. DOBBIE HIMSELF (APPOINTED PRESIDENT OF YOUR COMPANY BY COL. COCKSHUTT) GAVE A SUBSTANTIAL ORDER FOR PRODUCTS THAT G. L. A. COULD HAVE SUPPLIED TO A COMPETITIVE COMPANY AT THE VERY TIME WHEN HE WAS VICE-PRESIDENT AND DIRECTOR OF THE GYPSUM COMPANY.

THIS CHARACTERISTIC FAILURE OF THE PRESENT MANAGEMENT TO SUPPORT THE INVESTMENT OF THE SHAREHOLDERS FROM WHOM THEY SEEK PROXIES, IN ADDITION TO THE GENERAL POOR SHOWING UNDER THEIR MANAGEMENT, PROVES BEYOND A DOUBT THAT THE MANAGEMENT OF GYPSUM HAS BEEN AND IS IN THE WRONG HANDS.

That the majority of shareholders are giving their proxies to restore experienced, successful, loyal management under Mr. R. E. Haire, is shown in the frantic attempts of the present management to obtain revocations by sending messages in red ink letters.

While "criticizing" the expansion and growth under Mr. Haire's management, Col. Cockshutt does not hesitate to sell off one of the assets acquired under that expansion programme, thus netting the company a profit of $100,000, in order to bolster up the poor showing under his (Col. Cockshutt's) management. The properties acquired by Mr. Haire have provided not only a cash profit but also a necessary source of raw materials close to the sales markets, reducing transportation charges and consequently reducing overhead and operating charges. (Under experienced, efficient management, these properties would permit the company to maintain its leading position in the industry). These properties have given the company the benefit of reduced overhead and operating charges as a result of being closer to the market. Col. Cockshutt wants the credit for reduction, but "criticizes" the source and reason making for the reduction.

While Col. Cockshutt has issued profuse statements attempting to "criticize" the company (into control of which he manoeuvred himself), **he has not shown the same ability in producing, or even coming close to producing, the same constructive beneficial results and earnings for the company and the shareholders that Mr. Haire produced.** Shareholders in the Cockshutt Plow Company have been receiving these same profuse statements for the past twenty-five years concurrently with receiving practically nothing on their investment.

Shareholders have a right to demand experienced, competent, loyal management. That is the reason your Shareholders' Protective Committee was formed. Members of this Committee are spending their own money to bring the facts to your attention.

Mr. Haire is to-day the outstanding authority and operator in the business in which G. L. A. is engaged. He has remained loyal to shareholders who have money invested in the company which he built by refusing to accept offers to head competitive firms.

Shortly after the last Annual Meeting when Col. Cockshutt arranged to have his nephew, C. Gordon Cockshutt, put on Gypsum's Board, **the present management at Col. Cockshutt's direction wrote Mr. Haire that they would pay him $5,000.00 per year IF HE WOULD NOT ENGAGE IN ANY COMPETITIVE BUSINESS AND IF HE WOULD NOT TAKE ANY STEPS TO REMOVE THEM FROM OFFICE.**

It was at this Annual Meeting that Col. Cockshutt stated to a crowded room of shareholders, "If you don't like the way I run this business, try and put me out."

If you have not already sent in your proxy in favor of Mr. Haire, **it is not too late to help make sure that proven, successful management is returned to office so that profits and dividends for the shareholders will again be the order of the day.**

R. S. McCURDY, Chairman,
Shareholders' Protective Committee,
1014 Canada Permanent Bldg.,
Toronto.

Ottawa Seeks $524,271 From Canadian Cottons

Objection Filed on Behalf of Company Against Claims for Income and Profits Taxes — Denies Evasion Through Inventory Accounting

From Our Own Correspondent

MONTREAL.—Assessment made by the Dominion Government against Canadian Cottons Ltd. and its subsidiary, Cornwall and York Cotton Mills Co. for income and profits taxes has been set at $524,271. The claim is an aftermath of the Turgeon Textile Commission hearings during which J. C. McRuer, K.C., estimated that the company owed the Government between $750,000 and $1 million.

The claim against the company for income tax plus interest is $262,052 and for business profits war tax $177,635.

Against the company's subsidiary the assessment is $1,754 for income tax and $84,584 for business profits war tax.

The company has filed a formal objection and the matter is at present under consideration. Thus, the next move is up to the Government. If the Government insists upon its claims then the matter will probably be carried to the Exchequer Court.

Claims No Liability

With regard to business profits war tax Canadian Cottons takes the view that there is no liability whatsoever, a settlement having been made in 1921 at which time all questions were discussed and closed. If the Government reopens a matter upon which it was fully satisfied at that time then the company, it is stated, has a valid counterclaim for much more than the amount claimed by the Government, particularly in regard to the valuation of the company's capital for determining the exemption given under the Act.

On income tax, the company claims that the methods it has adopted are proper under the income tax legislation of the Dominion.

In the brief which Canadian Cottons submitted to the Turgeon Commission the company takes the stand that "not a cent of income tax is avoided by its system" of reporting its inventories at a discount from listed selling prices.

Three Inventory Divisions

Inventories are valued by Canadian Cottons in three divisions, according to the company's brief, divided into finished goods and unfinished goods off looms, goods in process of manufacture, and raw materials. These three divisions are valued as follows:

(1) Valuation of finished goods, and unfinished goods off looms, is based on listed selling prices for finished goods. From this price a discount is taken which has been increased until it now amounts to 25%.

(2) A basic figure, which has been five cents a pound in recent years, is used in valuing raw material inventory.

(3) Goods in process of manufacture are valued by a combination of the above two methods.

Described as Proper

"The deduction," the brief states, "is necessary and proper to cover selling costs, overhead expenses, cash discounts, seconds, jobs, depreciation and unearned profits, as well as other items, particularly the finishing of such goods off looms as still require finishing, dyeing and napping."

It further points out that the company's system was adopted without any regard to its effect upon the company's taxation and that it was in force several years before the passage of the Business War Profits Tax Act and the Income War Tax Act. The company claims that the income tax branch was aware of the company's practice in regard to inventory since the income tax returns showed inventories to have been taken at list price less the usual discounts. In this connection, the brief refers to a letter from the secretary of the company to the commissioner of taxation in 1921 which made clear disclosure of its practice.

Tax Profits When Received

"Nothing in the Income War Tax Act," the brief states, "calls upon the taxpayer to pay a tax on profits before they have been received. The facts of the case are that the company has declared all its profits as soon as they are actually made and has paid income tax on all profits when made without any reserve or concealment.

"Why should a company be expected to pay income tax on the full value of its goods before they have been sold? The company has not yet made its income upon them. Its business is to sell goods and until the goods have been sold it is impossible to tell whether a profit will be made or not. We submit that to assess income tax on the full value of these goods is to tax imaginary profits, that is, to tax profits that have not been made at all, and that the company was fully justified in its policy of paying its income tax in full on all such goods as soon as its inventory had been turned into cash and the extent of its profits properly ascertained. It was only then that such profits were 'received' in terms of the taxing statute."

No Hidden Reserves

In regard to the so-called "hidden reserves," the brief states that "no reserve fund whatsoever has been created. No amount was ever set up as a reserve or in any way appropriated from the funds of the company. To suggest that the company has in its hands a secret fund of some $2 millions is to create an altogether wrong impression of its resources. A discount reaching at times to that amount has been properly shown according to sound business methods upon the company's inventories, deducted from the value of raw materials and finished and unfinished goods in the company's hands. But this discount is not cash in the company's hands at all."

B. A. Oil Sales Show Increase

U. S. Producing Firm Acquires Properties for Future

J. C. Millar, treasurer of British American Oil Co., reports increased volume of sales in the first five months of 1937.

In letters accompanying dividend cheques on July 2, Mr. Millar states: "During the first five months of this year the percentage of increase in your company's gasoline sales was greater than the increase in general consumption. All five refineries are operating at capacity.

"Operations of our U. S. producing subsidiary have progressed satisfactorily, and our subsidiary is continuing to acquire new properties in the prospect of maintaining production as present sources are depleted.

"Our Turner Valley absorption plant is receiving a considerably increased supply of natural gas from the producing wells under contract."

Last year British American Oil Co. had earnings of 95 cents a share from Canadian operations and 46 cents a share in dividends from its American subsidiary or total earnings of $1.41 a share.

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Royal Enquiry Costly to Firm

From Our Own Correspondent

MONTREAL. — A substantially mission can be costly to a corporation which comes under its purview. Take the case of Dominion Textiles Co., whose affairs were investigated by the Turgeon Commission. For the year ended March 31 last, the company's legal bill totalled $50,792, as against $1,103 the year before. The increase in expense, all due to the enquiry, was equivalent to 19 cents a share on the company's outstanding common stock.

Can. Cottons Sales Higher

Expects Substantial Drop in Inventories This Year

From Our Own Correspondent

MONTREAL.—Sales of Canadian Cottons Ltd., during the first quarter of the current fiscal year which ends on March 31, 1938, showed substantial increase over the corresponding period of 1936. Present indications are for a continuance of this trend throughout the remainder of the year.

As a result of the improvement in sales, inventories, which were carried in the balance sheet as at March 31 last at about $1.7 million, are being reduced. If the present level of sales continues it is estimated that inventories will be reduced by $500,000 during the year.

The company is also reaping the benefit of higher prices for many of its products and as a result profits for the 1937-38 fiscal year are expected to show material improvement over the year ended March 31, 1937, when earnings amounted to $5.17 a share in the common stock. Higher prices have been offset to some extent, however, by increased manufacturing costs due to wage increases and to higher cost of raw material.

Hinde and Dauch Sales Are Higher

Earnings Progress Despite Rising Cost of Materials

Production and sales of Hinde & Dauch Paper Co. of Canada for the first half of 1937 have reached new peaks, according to a letter to shareholders from L. F. Winchell, president, accompanying July dividend cheques.

While there has recently been a slight softening of demand, Mr. Winchell states, the company is still operating near capacity and the earlier anticipation that 1937 would be a banner year is being confirmed.

Prices for principal raw materials, pulp and paper stocks, have increased more than has been fully reflected in selling prices of the company's products. Mr. Winchell states, however, that through greater production and increased efficiency the narrower spread has had no serious effect on earnings. "We are making progress," he says, "not only in earnings but in the physical structure of our plants so as to take the fullest advantage of any market situation that might arise."

A contract has been placed for a new boiler and auxiliary equipment for the Toronto plant and new box-making equipment has also been purchased.

The company reported net profits for 1936 equivalent to $1.32 a share compared with $1.18 a share in 1935.

Thrift Stores, Stop and Shop Report Loss

But Operations Show Some Improvement Since Amalgamation

CLOSE 7 STORES

From Our Own Correspondent

MONTREAL. — A substantially higher loss is reported by Thrift Stores Ltd. in the year ended March 27, 1937, net deficits for the period amounting to $93,613 as compared with $1,052 in the previous fiscal year.

While a portion of the loss was due to expenses incidental to the amalgamation of the company with Stop & Shop Ltd. the report indicates that the amalgamation was beneficial. Of the total deficit for the year $56,037 was incurred during the five months prior to the amalgamation and $37,576 during the eight months since amalgamation. Of the latter amount, $26,403 was for non-recurring expenses.

Profit Being Shown

Operations of the company showed improvement during the first five months of 1937, R. H. Hommel, president, reports, a small profit having been shown in the five months ended May 31. Thus, the outlook for the current fiscal year is for improvement in the company's earning position.

Mr. Hommel reports that during the past six months extensive alterations have been made in a number of Toronto stores, which were formerly operated by Stop and Shop Ltd, and by Sept. 1 next there will be in operation at least 25 self-service stores. Remodelled stores, which have recently been reopened, have shown a substantial increase in sales.

Closes Seven Stores

Since the amalgamation five Thrift stores and two Stop & Shop stores have been closed in the Montreal area, leaving the number of Thrift stores in this area at 64 and the number of Stop & Shop stores at 50. In addition, there are eight Stop & Shop stores in Ottawa and 48 in Toronto, so that the total number of stores operated is 170.

Taxes paid by the company in the 1936-37 fiscal year amounted to $91,899, of which $21,891 was for special chain store taxes in the City of Montreal. Mr. Hommel states that certain other municipalities in which the company operates stores have recently received authority to levy such taxes, some as high as $500 a store. This will mean a considerable increase in this item in the current fiscal year.

Cons. Income and Surplus Account
Years Ended March 31

	*1937	1936
	$	$
Net oper. earnings ...	31,094	39,767
Add: Inc. from invest.	......	1,779
Less: Exec. salaries ...	33,942	25,905
Legal fees	2,274	1,059
Directors' fees	1,074	705
Depreciation	16,945	14,929
Loss on closing warehouse	8,284	......
Net loss	93,613	1,052
Less: Prev. surplus ...	86,034	87,086
Add: Bad debts adjust.	3,500	......
Organ. exp. w/o	221	......
Deficit forward	11,300	86,034

*Period from March 30, 1936, to March 27, 1937.

Working Capital

	1937	1936
	$	$
Current assets	900,101	471,263
Current liabilities	568,659	143,504
Working capital	331,442	327,759

Subsequently the 5½% bonds have been redeemed and financed by borrowing privately at 4%, representing an annual saving of about five cents a share.

The dividend is being maintained at an annual rate of $1 a share.

"One-Share" Sweeney Explains His Methods

Ubiquitous and Critical Attender of Shareholders' Meetings Persists "Just for Fun of It" But Gets Attention

William R. Sweeney goes to a lot of shareholders' meetings.

He is known familiarly as "One-share" Sweeney, but doesn't seem to mind it much. In fact, he sometimes uses it as a joke on himself. He says the phrase was coined by a Toronto tabloid newspaper and that it has just "stuck."

To his personal friends he is Bill Sweeney.

In explanation of his persistent attendance at meetings of shareholders, annual and special, he says simply:

"I get a lot of fun out of it."

Notwithstanding the "One-share" nickname, he says he has a good many shares in some of the companies whose meetings he enlivens with sharp remarks on the operation of the enterprise and suggestions as to the proper conduct of the proceedings.

In an interview with The Financial Post he was asked whether he ever receives fees or other remuneration for attending meetings. Mr. Sweeney showed no resentment at such a direct challenge to his amateur standing. "Oh, no," he replied casually.

Christmas Graduate

Contrary to common belief Mr. Sweeney is not a lawyer, although he studied law at Columbia University in his youth. He did not complete his course for his degree and has never practised law.

Those who have seen him on his feet, declaiming upon affairs at shareholders' meetings, will testify, however, that Bill Sweeney has all the skill of a professional, "learned in the law." Even those on the other side will admit privately that he's smart. He lives in Toronto, but shows up at meetings both there and in Montreal.

One thing that has helped make William Sweeney a well-known figure among investors and financial men is his appearance. He is a small man, dapper in his dress and with a miniature pointed moustache and a neat little whisker on his lower lip.

When he starts to tell a shareholders' meeting what he thinks it is all about, as he did not long ago at the special Union Gas meeting, the wagging of his tiny whisker lends emphasis to his words. He gets attention—sometimes not very appreciative.

Accidental Whisker

The whisker is to some extent an accident. We asked him about it. His reply:

"Once I cut myself badly on the lip with the razor and when I tried to shave around it I would cut myself again. So I left it alone."

And that is why he has the whisker, which can hardly be described as a VanDyke because the Sweeney chin is clean shaven.

Mr. Sweeney is familiar to newspaper men, who see him frequently when they go to report shareholders' meetings. At the Union Gas meeting the question was raised about whether the press men should be in attendance. The Sweeney eloquence straightway came to the defense of the press "in the interests of a great many shareholders who live at a distance and could not attend in person" and who have to depend on newspapers for their information.

In fact, says Mr. Sweeney, one of his reasons for bringing out information at meetings is to help out the newspaper men. "They come to the meetings looking for the news," he comments, "and they only get an official 'hand-out.' I try to help bring out information that otherwise might not be made public."

Gentleman of Leisure

His occupation or business?

"I haven't any," he says.

Directorships?

Mr. Sweeney confesses to being on the boards of "a few small mining companies." But, he says: "They don't mean much. I just went on at the request of friends."

Just now Mr. Sweeney is taking an interest in the Abitibi Power & Paper reorganization. So far it has been a passive interest. He has held some Abitibi shares for years, he states.

Will he be at any meeting in connection with Abitibi? "I think so," is his answer.

It may be recalled that Mr. Sweeney's oratory was heard in connection with the reorganization of Great Lakes Paper Co. at meetings held 18 months ago. He wrote a letter to the Ontario Securities Commission setting forth reasons why the Commissioner should intervene to protect the bondholders from a plan their own committee had arranged. The Commission kept out of it.

"I have always been a strong believer in pulp and paper, the power companies and the mines," he comments, "because they will make a great deal of the wealth of this country."

View of Reorganization

Mr. Sweeney recalls that The Financial Post told about his letter to the Securities Commission and asked what Mr. Sweeney's interest was in the Great Lakes affair other than as a bondholder. He says now that his view was that the bondholders' committee, the trustee and depository and the generally expansive machinery of reorganization were absorbing in costs funds that should go to bondholders. He acknowledges, however, that the reorganization has worked out so that bondholders have got their principal back.

His ideas on corporation reorganizations are that financial groups gather in shares and proxies and dominate the proceedings. Like the preacher who sermonized on sin, he's "agin it." However, Mr. Sweeney, at public meetings, is invariably "agin" something, often expounding the complaints of the minority.

As to amusements, he has none outside of participation in shareholders' meetings, which seems to be both his occupation and diversion. A meeting or proxy scramble, especially with writs, injunctions, or other legal restraints, is his delight.

Reads Newspapers

Men who speak smoothly and concisely are usually extensive readers. In Mr. Sweeney's case he confesses that the newspapers provide a great part of his reading. "Of course," he adds, "I read every imaginable kind of corporation report."

Meetings of shareholders, he says, are very often badly conducted. He frowns on the idea of anyone but the proper official of the company acting as chairman. In fact he objects to anything that has the appearance of irregularity.

He recalls the reorganization meeting of Maple Leaf Milling Co. with obvious pleasure. The president and vice-president held most of the proxies. There was a movement to have a prominent legal light made chairman of the meeting.

But Mr. Sweeney, among others, protested. If the president or vice-president are in attendance, one of them must be chairman. And if they left the room there would not be the necessary quorum. So there was no option but to drop the idea of a lawyer-chairman. That is the sort of thing that makes a Sweeney victory.

When he tells about such battles of the past Mr. Sweeney gesticulates. With both hands and shoulders he throws down the imaginary proxies. He lays down the law from his elbow to his finger tips.

Mode of Life

Energetic though he is in voice and gesture when it comes to the fine points of keeping a meeting in what he considers good order, Mr. Sweeney is not robust. He spends more than half the hours of every year on his back to give his heart a rest. He goes south every winter to Miami Beach, and when he turns up for the spring shareholders' meetings carries a tan from the Florida sun.

The present Sweeney domicile is the King Edward Hotel, Toronto. Last year it was the Royal York. He has been living in hotels for most of the years since 1909, when he first arrived in Toronto.

It all started in the small town of Netherwood, New Jersey, where William R. Sweeney was born in 1882. He is therefore 55, but does not keep close track of birthdays and does a little calculating before arriving at the exact figure.

As a student of law at Columbia, Mr. Sweeney was a heavy reader. He gave up his studies for reasons of health. In 1907 he became interested in the Cobalt mines and that brought him to Toronto in 1909. And for the past 28 years he has been more of a resident of Toronto than of any place else.

One of the things that kept him in the Ontario capital was that he got very good medical treatment and apparently he still does. At any rate, he looks well enough to attend a great many more meetings for the edification and instruction of all those present.

So if you think your favorite company is not being run properly or that arrangements for a meeting or reorganization are not in order—just tell it to Sweeney. But probably you won't have to tell it to Sweeney. He is most likely to be at the meeting anyway, throwing verbal spit-balls at the chairman.

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Investment Trends

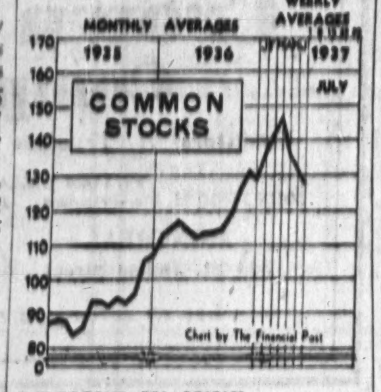
Long Term Prophets See Trend As Upward

Immediate Future of Stock Prices Remains Uncertain — Business Building Basis for Better Levels Despite Adverse Factors

Stock market movements continue indecisive so far as the general trend of prices is concerned. In fact a broad upward or downward trend is not apparent. The decline appears to have halted but indications are still lacking that the tide has turned.

Among the less encouraging aspects of the business situation behind the stock market is the prospect of a small wheat crop in Western Canada. Grain prices have risen, however, and total farm income may actually show improvement this year. Meanwhile the situation in other primary industries such as forestry and mining is favorable. Ample supplies of credit are also on the favorable side of the business ledger.

The prospects appear to be that further improvement in general business conditions will eventually bring a resumption of the rise of stock prices. While the immediate price trend is indefinite, most market analysts continue to be of the opinion that over the next year or two industrial stocks will reach higher levels.



DECLINE IN JUNE

Index of common stock prices dropped to 127.7 for the week ended July 1, and the average level for the month of June was well below 130, according to figures of the Dominion Bureau of Statistics. Comparative figures appear on this page.

Good Reports

Half year reports from many companies indicate that business is better this year; and that profits have been increased despite rising costs largely to greater efficiency and the advantages of higher volume.

When annual reports for 1937 begin to appear, there is likelihood of many increases in earnings. Despite the disappointment in western crop conditions, therefore, business appears to be laying a basis for higher prices for industrial shares later this year.

* * *

Rising Spiral

Referring to the various lines of business in which he is interested, T. A. Russell, president of Massey-Harris Co., notes continued improvement in business volume this year over 1936, in a letter to Canadian Machinery, Toronto trade newspaper. Mr. Russell qualified his remarks, thus:

> "There may be some disappointment at the end of the year in the matter of net profits because there is a marked rising tendency in prices of raw materials, as well as an increase in wages, with the result that manufacturing costs are greater without corresponding adequate increases in the prices of finished products."

Other corporation executives also report higher costs, but find that substantial increases in volume have allowed improvement in earnings. In this connection may be noted the remarks of C. H. Carlisle regarding Canada Bread Co. and L. F. Winchell of Hinde & Dauch Paper Co. reported in this issue.

For this year, the effect of rising costs appears to be to moderate the rate of increase of corporation earnings, which, however, may already have been discounted by the decline of stock markets. For next year, there may well be another turn of events. That is, increased wages and prices should expand the income of the recipients and should therefore expand sales still further. The rise of costs should therefore continue to offset itself to some extent. It is an inflationary spiral of recovery in contrast with the deflationary spiral of depression.

* * *

Buying Preferreds

Dominion-Scottish Investments Ltd., Toronto investment trust, shows that since 1933 it has maintained about 62% of its investments in the form of common stocks. The period has been one of rising prices for common shares which means that the trust has not increased its proportionate holding of this type of investment but still has faith in equities.

The trust shows a shift of funds into preferred stocks evidently to maintain income in the face of low bond yields. The trust like others shows an overwhelming preference for Canadian and American securities.

Since market value of the trust's portfolio has risen from $1.9 million in 1933 to $3.6 millions this year, which must be kept in mind in connection with the proportionate investment of funds which has been as follows:

	1937 %	1936 %	1934 %	1933 %
Bonds	7.91	10.53	17.74	16.58
Pref. stocks	30.14	26.99	23.59	21.28
Com. stocks	61.95	62.48	58.67	62.14
	100.00	100.00	100.00	100.00

* * *

"Farm" Shares

As to the unfavorable conditions facing grain companies, not only for 1937 reports but for the 1937-38 year, we repeat the comment in this column six weeks ago:

> "Now the storage revenue has dwindled, hopes for increased earnings depend largely upon improved harvests in western Canada . . . For investment in greater prosperity for agriculture, shares of the farm implement companies may prove more satisfactory."

While the western situation is not very favorable for the implement companies, they are still likely to enjoy increased domestic business and also have higher export volume. Massey-Harris should benefit from its U.S. operations because of bounteous crops there.

Significant Investors' Index Numbers

1926 = 100

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Indust. mines	Total industrials	Total utilities	Total co's.
No. of Securities	8	6	4	4	10	13	7	14	2	66	19	96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	261.1	591.3	317.6	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	76.8	73.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.6	197.0	549.3	222.0	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	566.7	228.8	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	618.2	241.7	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	535.9	224.1	64.1	136.2
May	151.8	38.5	109.4	229.6	77.5	175.5	128.4	188.4	525.6	216.4	63.0	132.2
Weekly Figures, 1937:												
June 3 ..	150.8	39.8	105.0	225.2	77.2	178.1	126.7	187.4	520.3	214.0	63.5	131.3
June 10 ..	152.6	40.1	103.5	223.4	77.9	178.9	131.4	186.9	526.6	214.1	64.2	131.8
June 17 ..	148.0	38.0	105.0	219.5	78.0	178.5	132.6	184.7	503.7	209.1	63.2	129.0
June 24 ..	148.0	37.3	102.1	218.9	77.9	176.0	130.2	179.4	507.0	208.1	62.6	128.3
July 1 ..	143.4	35.9	102.5	216.6	77.3	176.4	128.3	179.3	507.4	207.1	62.5	127.7

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 6	164.28	118.96	158.47
July 5	161.02	117.35	155.28
July 3		Holiday	
July 2	160.21	114.33	152.05
July 1		Holiday	
June 30	157.82	112.89	150.55
Month ago .	166.82	123.79	156.33
Year ago ...	131.66	141.42	130.97
High, 1937 ..	187.67	168.56	215.36
Low, 1937 ..	157.65	107.83	141.07

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
July 6	79.1	106.9	97.6
July 5	77.9	104.5	95.6
July 3		Holiday	
July 2	77.7	103.4	94.8
July 1		Holiday	
June 30	77.7	103.4	94.9
Month ago .	78.7	109.6	99.3
Year ago ..	69.1	72.6	71.5
High, 1937 ..	92.5	122.2	109.5
Low, 1937 ..	74.8	100.3	92.3

Canadians Miss U.S. Chain Tax

Fanny Farmer, Loblaws Not Hit by Discriminatory Levies

Canadian companies operating chain stores in the United States do not appear to be seriously hit by discriminatory taxation which has been imposed by a number of the states.

Fanny Farmer Candy Shops, Inc., is operating 210 stores in 12 states but officials state that the company has not been harmed by legislation already enacted nor do they fear any proposals so far advanced.

Of Fanny Farmer's 210 stores, 87 are in New York state and 25 in Massachusetts, neither of which has enacted any discriminatory taxation of this nature. In New York city there is a 2% sales tax but this tax is passed directly to the consumer.

Another Canadian company with a substantial interest in a chain of grocery and provision stores in the United States is Loblaw Groceterias Co. This company has a large interest in Loblaw Groceterias Inc., operating 81 stores of which 70 are in New York state and 11 in Pennsylvania.

Fanny Farmer Analysis

Among the 12 states in which Fanny Farmer operates, the following levy some sort of special taxes on chain stores:

(1) Pennsylvania (13 stores)—graduated tax of $1 on a single store up to $500 on each store if more than 500.

(2) Minnesota (17 stores)—tax on a graduated scale from $5 to $155 for each store over 50 proposed and also tax on gross sales. Officials state, however, that the state legislature will prorogue without passing legislation now pending. The tax on sales is said to be less costly than the sales tax imposed in Canada.

(3) Michigan (10 stores)—graduated tax ranging from $10 to $250 for each store over 25. There is also a tax of $10 for each counter over one up to $25 for each counter over 25.

(4) Iowa, (three stores) — tax graduating from $5 to $155 for each store over 50.

(5) Wisconsin (14 stores)—taxes on a graduated scale from $25 to $250 for each store over 25. This tax, according to Fanny Farmer officials, lapsed on July 2, 1937, and has not yet been re-enacted.

Special Taxes Heavy

The fact that the two examples of Canadian investment interest in the chain store industry in the United States are apparently not affected to any great extent by the wave of discriminatory taxation does not mean that this movement is not serious. The Louisiana act is the most severe legislation of this nature yet placed on the statute books by any state. This law imposes a tax which starts at $10 per store and ranges up to $550 for each store in the state. In computing the rate of taxation, however, for each chain the total number of stores owned by the company is used, no matter in which state they are located.

Pennsylvania is the latest state to impose special taxes on chain stores. Because of the large number of stores operated by some chains in this state the total tax to be paid would be extremely heavy. Great Atlantic and Pacific Tea Co., for example, would have to pay an estimated $1 million annually.

International Metal Dividend Expected Later This Year

Dividends on preferred shares of International Metal Industries will probably be resumed later this year, The Financial Post is informed, but not in August as some shareholders had hoped.

With omission of dividends on Aug. 1, the two types of 6% preferred stock will be in arrears $32.25 a share. As there is a combined total of 45,206 preferred shares, the total amount of arrears will be approximately $1,456,000.

Although precise details are not available, it is understood that earnings this year have been favorable. W. E. Maun, general manager, stated at this year's annual meeting that a substantial increase was expected in 1937. Last year's earnings amounted to $7.77 a share on the preferred.

It is understood that proposals for elimination of arrears of dividends on the preferred shares will be announced later this year, probably at the time of resumption of current payments.

Gypsum Fight Nears Climax

Company Issues Statement In Its Appeal For Proxies

Present sales policies of the management of Gypsum, Lime and Alabastine, Canada Ltd. have been vindicated by the recent sharp upswing in sales, according to the latest statement directed to shareholders by the chairman of the board, Col. Henry Cockshutt.

The statement, replying to attacks of the R. E. Haire group marks another stage in the fight for control of the company which will reach its climax at the special meeting of shareholders on July 15. The directors' statement is another appeal for proxies.

"Your company," states Col. Cockshutt, "will undoubtedly show further substantial sales increases in the second, third and fourth quarters of 1937 as a result of the total increase in building permits in the first four months of the year.

"When your present directors took office early in 1933, they found only $15,739 cash on hand. This was directly due to the fact that Mr. Haire, in 1930, paid dividends of $594,303 while the company earned only $306,365. In 1931, earnings were only $39,237 as contrasted with dividends paid of $225,396." This, states Col. Cockshutt, indicates that had dividends been paid out of earnings instead of reserve funds, there should have been on hand $500,000 of payment on bond sinking fund.

Inflated Property Cost

Another charge is that purchases of plants were made at prices greatly in excess of actual value of properties. These purchases, states Col. Cockshutt, combined with depletion of cash resources, made it impossible to earn both interest and amortization of plants. The company now holds, according to Col. Cockshutt, sufficient bonds to retire 50% of sinking fund arrears.

The present directors also assert that R. E. Haire did not give the actual position of the company in his letter to shareholders in 1930 when he said the company was earning all carrying charges and dividends. This was the year, says Col. Cockshutt, when earnings fell approximately $286,000 short of covering dividends paid.

Support Claimed

Proxies are being received by the Haire group from shareholders, dealers and jobbers in increasing numbers, according to R. S. McCurdy, chairman of the shareholders' protective committee, which is acting for R. E. Haire. In his latest advertisement to shareholders of Gypsum, Lime, Mr. McCurdy again emphasizes his contention that the company has failed to maintain pace with its competitors.

In this connection, McCurdy gives the following two instances:

(1) "The present management recently failed to compete successfully for a sizable order even from one of its own inner circle, W. C. Pitfield, in connection with work and repairs on Mr. Pitfield's residence . . ."

(2) "We also have it on written authority that Mr. G. A. Dobbie himself . . . gave a substantial order for products that Gypsum, Lime & Alabastine could have supplied, to a competitive company at the very time when he was vice-president and director of the Gypsum company."

These two instances are cited by McCurdy as evidence of the "failure of the present management to support the investment of the shareholders" and, he says, "in addition to the general poor showing under their management proves beyond a doubt that the management of Gypsum has been and is in the wrong hands."

Announcement Postponed On King Edward Plan

Negotiations are still going on with more than one group which hopes to develop a plan of reorganization for the King Edward Hotel, Toronto. It was at one time expected that some announcement could be made early in July, but this appears to have been postponed.

Pending a final decision of a reorganization plan no definite steps have been taken with regard to renovating the hotel although preliminary discussions have taken place between the Metropolitan Life Insurance Co., holder of the first mortgage on the building, and the National Trust Co., receiver. It is understood that a tentative figure of $250,000 has been set as the amount of money to be spent on refurnishing and repairing the hotel.

Stratford, Ont.—Although the first installment of 1937 taxes is not due until July 5, 25% of the year's levy has been collected. Gross collections to June 15, 1937, were $258,929 compared with $233,932 in the same period of 1936, an increase of $24,997. Arrears collected in 1937 were $99,350.

Goodyear Profits Exceed Dividends

Increased Volume Has Continued Through Second Quarter

A. G. Partridge, president of Goodyear Tire & Rubber Co., informs shareholders in a letter accompanying dividends for the second quarter in 1937 that the upward trend in business volume apparent in the early part of the year has continued to date.

The result, says Mr. Partridge, is that the company's operations during the first half of 1937 have been quite satisfactory with earnings substantially exceeding dividends on both preferred and common stocks. Last year's earnings amounted to $4.73 a share on the common stock. Total common dividends in the past 12 months have been $5 a share.

As to operations, Mr. Partridge comments:

"The usual reserves have been set up. Inventories of raw materials and finished goods are on a very satisfactory basis as we enter the most active buying season for tires, rubber hose, and rubber belting.

Montreal Power Output Increases

From Our Own Correspondent

MONTREAL. — Montreal, Light Heat and Power Cons. reports a sharp gain in electricity output during June.

Excluding secondary and export power, production totalled 89.8 million kw.h., as against 77.2 million kw.h. in June last year, an increase of 16.35%.

Production of electricity for the first half of this year totalled 566.4 million kw.h. This contrasts with 530.9 million kw.h. for the corresponding period in 1936, an increase of 6.67%.

Gas Still Lags

Gas output has not kept pace with the increase in electricity production. During June the company produced 424.1 million cu. ft. of gas, as against 428 million cu. ft. in 1936, a decrease of .91%.

Comparative output of gas for the first six months of 1936 and 1937 was 2,631 million cu. ft. and 2,567 million cu. ft., respectively, a decrease of 2.41%.

New Issue

Dominion Coal Company, Limited

4½% First Mortgage Bonds, due October 1st, 1952

Denominations: $1,000 and $500.

Price: 98.75 and interest, yielding over 4.60%

Dominion Coal Company, Limited has conducted coal mining operations in Nova Scotia continuously since 1895 and markets its coal in the Maritime Provinces, Quebec and Ontario.

During the five months ended May 31st, 1937, coal production of mines operated by the Company was 1,609,299 long tons compared with 1,464,054 long tons in the corresponding period of 1936.

Descriptive circular upon request.

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Wood, Gundy & Company
Limited

Company Reports

Investment Corp.

Investment Corp. of Canada, an English holding company closely associated with Canadian interests, reports a net income of £12,507 for the year ended April 30, 1937. Comparative figures for the previous year are not available. From surplus the company declared dividends of 13½% on its preference shares. In addition the directors propose to pay 4½% on the preferred on July 19, 1937, bringing payments on this class of stock up to April 30, 1936.

The balance sheet at the end of last April shows assets totalling £954,403. The liabilities include £706,384 of capital stock; £217,466 of loans against securities and the balance various reserves, accounts, etc. The assets include £41,178 of investments in Canadian real estate. Securities held have a book value of £818,522 and a market value of £677,407. Net loss on realization of investments totals £92,746. Cash on hand and sundry items make up the balance.

Revenue Account
Year Ended April 30

	1937 £
Gross income	34,789
Less: Salaries, etc.	2,626
Canadian taxes	119
Directors' fees	600
Income tax	3,378
Loss on exchange	15
Debenture interest	8,669
Loan interest	6,854
Balance	12,507
Previous balance	33,680
Less: Pfd. dividends	30,881
Balance forward	15,306

Dom.-Scottish Investment

Dominion-Scottish Investments, Ltd., Toronto, reports net profits equal to $2.62 a share in the year ended May 31, 1937, on its 5% preference shares of $50 par value compared with $1.87 a share in the previous year. A balance of 11 cents a share was available for the common stock in the 1937 period.

Full preference dividends were paid during the year but arrears still amount to $5.25 a share.

Value of the trust's portfolio increased in the year from $2.8 millions to $3.6 millions. Net assets available for holders of preference shares also rose and amounted to $56.10 a share at May 31, 1937, compared with $46.82 a share in 1936.

The company issued $750,000 of 4% bonds in 1936-37 year. As a result of the plan of arrangement under which these bonds were issued, preference shares outstanding were reduced by 10,564 shares to 49,136. At the same time common shares outstanding increased from 60,000 to 89,153.

The directors plan to issue the balance of the $1.5 million bond issue when market conditions are considered favorable.

Income and Surplus Account
Years Ended May 31

	1937 $	1936 $
Dividends & other inc.	175,380	136,313
Less: Rents, salaries, gen. exps.	10,319	9,639
Executive salary	2,500	2,500
Directors' fees	3,000	3,000
Legal expenses	69	604
Inter., exchange, etc.	1,596	635
Trustee's, registrar's, auditor's fees	1,981	1,675
Bond interest	11,366	......
Net earnings	147,054	118,237
Less: Tax prov. (net)	8,745	6,871
Net profit	138,309	111,366
Less: Pref. dividends	128,122	104,475
Surplus for year	10,187	7,091
Add: Prev. surplus	75,929	68,838
Less: Bond discount & exp.	17,834	.....
Surplus forward	68,282	75,929

Dominion Square

Dominion Square Corp.'s financial statement for the year ended April 30 shows a modest improvement in both gross and net income. The balance available for interest totalled $153,870 as against full requirements of $281,400. This left a deficit of $127,529 as against $141,743 a year ago. Col. Andrew Fleming, chairman of the bondholders' committee, reports that although earnings have improved, "the recovery has not been sufficient to warrant any change in the present policy."

Income and Surplus Account
Year Ended April 30

	1937	1936
Oper. income	$ 418,700	$ 418,341
Oper. expenses	138,035	152,786
Municipal taxes	127,622	127,255
Oper. profit	$ 153,043	$ 138,319
Interest earned	827	1,336
Balance	$ 153,870	$ 139,655
Interest required	281,400	281,400
Deficit	$ 127,529	$ 141,743

Treasury Bills

The Dominion of Canada has sold $25 millions of three months treasury bills at 99.84210, a cost basis of 0.634%. This is an all-time low cost for this type of financing.

Dominion Tar Initiates Payment on New Stock

From Our Own Correspondent

MONTREAL.—Dominion Tar and Chemical Co. has declared an initial dividend on the new 5¼% preferred stock, created as a result of the recent capital reorganization of the company.

The dividend covers the quarter ended April 30, 1937, and amounts to $1.37½ a share. It is payable July 31 to shareholders of record July 10.

Investment Notes

Simon and Sons — Demands for cigars and other products of this company are reported to have shown a healthy increase to date this year. Expectations are that net income for 1937 will be on a scale to warrant a larger distribution to the shareholders.

* * *

Dosco — Reports from England that British industry is suffering from shortage of steel, indicates that Dominion Steel and Coal will ship a record volume of iron and steel to Britain during the current year. Contracts already placed will call for a substantial percentage of the companys output.

* * *

Newsprint—North American consumption of newsprint in April reached an all-time record high, according to a compilation of R. O. Sweezey & Co. The report goes on to say such a strong statistical background places the Canadian newsprint mills in an advantageous bargaining position with the American publishers in entering into future price contracts.

* * *

Canada Packers—Estimated to cost approximately $600,000, the new Vancouver plant is to be under construction soon, according to President J. S. McLean. In view of Mr. McLean's remarks in the annual report that dividend policy was affected to a considerable extent by the company's policy of capital investment, this year's operations will be of particular interest to shareholders. Even though the $3 dividend rate has not been increased, it is noteworthy that the company's plant expansion and debt reduction in the past year has increased the equity for the common stock of $66.68 a share as at March 25, 1937.

* * *

Canadian Celanese—Gross earnings for the first half of this year are reported to be slightly in excess of those for the same period in 1936. Plant operations continue on a 24-hour basis, with bookings on hand sufficient to keep the plant operating at this level for some time.

* * *

International Nickel — Between Nov. 30, 1936, and May 31, 1937, General Investment Corp., U. S. investment trust, reduced its holdings of "Nickel" from 1,000 to 200 shares.

* * *

Reports to the U. S. Securities & Exchange commission show stock transactions of interest to Canadian investors as follows:

Dome Mines—Alexander Fasken, secretary, increased his holdings from 1,458 to 1,558 shares in May.

Hudson May Mining — J. H. C. Waite, a director, in February increased his holdings from 3,500 to 4,500 shares.

Int. Paper & Power—Malcolm G. Chase, a director, increased his holdings of class B common stock from 5,100 to 5,600 shares; and he retained 5,450 shares of class A common, 7,800 class C common and 2,180 7% preferred shares.

St. Antony Gold—D. M. Bellingham, director, reduced his holdings from 472,500 to 438,500 shares in May.

Walker-G. & W. — W. J. Hume, president and general manager, acquired 2,755 shares in May, raising his direct holdings to a total of 31,114 shares. He held, in May, another 2,212 shares through a holding company.

Foreign Exchange

	June 28	June 29	June 30	July 2	July 3
Par					
U. S. dollar, High	1.00 5/32	1.00 9/32	1.00 5/16	1.00 13/64	1.00 9/64
Low	1.00 3/32	1.00 3/32	1.00¼	1.00 9/64	1.00¼
U. K. pound	4.94	4.94¼	4.95	4.93½	4.93½
Australia	3.95¼	3.95¼	3.96¼	3.95	3.95
Austria	.1879	.1880	.1880¼	.1880	.1880
Belgium	.1680	.1682	.1686	.1686	.1686
Brazil	.0660	.0659	.0661¼	.0665¼	.0660
Czechoslovakia	.03482	.0348¼	.0349¼	.0349	.0350
Denmark	.2205	.2205	.2210	.2211	.2211
France	.0447	.0442	.0414	.0384¼	.0387
Germany	.4015	.4018	.4016¼	.4016¼	.4017
Greece	.00902	.0091	.0091	.00901	.00902
Holland	.5507	.5508	.5505	.5506	.5508
Hungary	.1977	.1980	.1980	.1977	.1977
India	.3733	.3736	.3737¼	.3738¼	.3740¼
Italy	.0526¼	.0527¼	.0527¼	.0526¼	.0526¼
Japan	.2875	.2877	.2877	.2870¼	.2877¼
Jugoslavia	.0233¼	.0233¼	.0233¼	.0233¼	.0233¼
New Zealand	3.96¼	3.96¼	3.96¼	3.95¼	3.95¼
Norway	.2476	.2483	.2487	.2488	.2489
Poland	.1890	.1901	.1901	.1899	
South Africa	4.93 1/16	4.93½	4.94	4.94¼	4.94¼
Sweden	.2548	.2548	.2552	.2554	.2554
Switzerland	.2284	.2285¼	.2292	.2289	.2287¼
Hong Kong	.3040	.3033	.3033¼	.3040	.3036

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Magog, Que.	June	L. G. Beaubien & Co.	3½%	1938-67	$60,000	96.09	3.62%
Sorel, Que.	June	Banque Can. Nationale	4%	1-15 ser.	22,500	96.37	4.21%
Verdun, Que.	June	L. G. Beaubien & Co.	4%	1938-52	240,000	97.54	4.22%
Dominion—							
Canada Treasury Bills	June		...	Oct. 1 '37	25,000,000	99.842	.634%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Dominion Coal Co.	July	Wood, Gundy & Co.	3½%	1938-42	$3,000,000	....	....
			4½%	1952	3,000,000	98.75	4.60%
Fabrique de la Nativite de la Sainte-Vierge	July	Societe Generale de Finance	4%	1938-52	$300,000	100	4%

INVESTMENTS

• *To Yield from 4.76% to 6.85%*

	Rate	Maturity	Approx. yield
Great Britain & Canada Investment Corporation	4½%	1959	5.39%
MacLaren-Quebec Power Co., Limited	5½%	1964	5.41%
Saguenay Electric Co., Limited	5½%	1953	5.59%
Canadian International Paper Co., Limited	6%	1949	5.65%
Queens Hotel, Limited	6%	1947	5.87%
Burns & Co., Limited (Fixed Interest)	5%	1958	6.49%
Winnipeg Electric Co., Limited "A"	4%	1965	6.74%
Northwestern Utilities, Limited	7/6%	1938/49	6.85%
International Bronze Powders, Limited	6%	Pref.	4.76%
Power Corporation of Canada, Limited	6%	Pref.	5.91%
Reliance Grain Co., Limited	6½%	Pref.	6.50%
McColl-Frontenac Oil Co., Limited	6%	Pref.	6.67%

Full particulars on request

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New analysis of this Canadian company indicates interesting nature of its 4% Notes, convertible into the Class A Shares.

Ask for analysis P3

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Bond Markets

Winnipeg Financing Arranged for Month

Bank Ultimatum Extended — Calgary Plan Gets Favorable Reception — Treasury Bill Cost Hits a New Low Mark

While the city of Winnipeg has been granted a month's extension of credit, a real solution for the city's relief crisis appears as far away as ever. Until the end of July, however, the bank will continue to supply funds for the city's relief requirements.

In that time it is possible that some plan can be worked out to provide a permanent solution. So far the province has refused to give further assistance and the Dominion has rejected the proposals made by the city.

It is understood that a favorable reception has been given to the refinancing plan for the city of Calgary. Although this plan was only announced in its final form two weeks ago, holders of about 20% of the Calgary debenture debt which is held by the public have already signified their intention of accepting the plan. Before the plan can become effective, however, it must be accepted by holders of at least 60% of the city's debentures.

Ontario Municipals

The Ontario department of municipal affairs has been able to bring out one principle in its refinancing plan for Sudbury which will probably be used in other cases. Arrangements were made for bank credit and it is understood that this plan will be followed wherever possible. This will permit payment of obligations in cash, where no reduction in principal or interest rates is required.

* * *

Latin American Bonds

Canadian holders of Latin-American bonds will be interested to know that the Foreign Bondholders Protective Council, Inc., New York, now has discussions under way regarding their dollar debt with Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Savador, Guatemala, Panama and Peru as well as certain countries in other parts of the world.

In its third annual report, the council, points out that the countries of south and central America, as a world group, have made relatively the poorest showing in adjusting their defaulted debts.

The council emphasizes the tendency of certain debtors to use funds which are available for payment of bond interest to purchase bonds which are selling on the market at low prices because the debtor country is not paying interest.

Of the outstanding $5,375 millions of foreign dollar bonds over $2,000 millions are in default. Grouped as to areas the report shows that 75.8% of Latin-American bonds are in default; 49.8% of European; 2.4% of Far East and African; and 3.8% of Canadian.

Valentine F. Boucas, debt consultant for the Brazilian finance ministry, has announced opening of negotiations to revise annual payments on Brazil's foreign debt with the Foreign Bondholders Protective Committee. Mr. Boucas is expected to propose a lower schedule of payments than that contained in the plan which expires in March, 1938.

* * *

Financing Down

New Canadian government and municipal financing dropped from $186.3 millions in June, 1936, to $83.1 millions in June, 1937, largely because the 1936 month included $133.7 millions of Dominion financing, according to a compilation by Wood, Gundy & Co.

Of the 1937 total of government financing, $73.9 millions was refunding, including the Dominion treasury bills, and $9.2 millions represented new money. All financing took place in Canada.

Largest bond issue of the month was the $31 millions Province of Quebec issue while among municipal issues the city of Halifax sold $529,000 of bonds and Drummondville, $232,900.

A summary by A. E. Ames & Co. shows total Canadian bond financing of all classes amounting to $660.7 millions in 1937 to June 30, compared with $754.2 millions in the same period of 1936. The 1937 period included $240.1 millions of short-term bonds while $260 millions of short-term bonds were sold in 1936.

The tabulation of June bond financing compiled by Wood, Gundy & Co. follows:

New Canadian Bond Financing

Month of June:	1936	1937
Dom. Gov. dir. & gtd.	$133,700,000	....
Dom. Gov. treas. bills	45,000,000	$50,000,000
Prov. dir. & gtd.	6,595,700	31,040,600
Ontario municipal	742,750	378,184
Quebec & Maritime municipal	267,600	1,721,900
Totals	$186,306,050	$83,140,084

* * *

Corporation Issues

Bond financing by Canadian corporations to the end of June shows a substantial reduction in 1937 compared with 1936. Four large corporation bond issues were sold in June, 1937, as follows: Aluminum Co. of Canada, $12.5 millions; York Knitting Mills, $1 million; Mersey Paper Co., $4 millions; Ottawa Electric Railway Co., $2.5 millions. Of the 1937 total to June 30, $59 millions was refunding issues and $29.4 millions represented new capital.

A tabulation of Canadian corporation bond financing to June 30, 1937, as compared with the same period of 1936, prepared by Wood, Gundy & Co., follows:

Corporation Bond Financing
Six Months Ended June 30

	1936	1937
Public utility	$ 55,567,424	$17,663,500
Railway	53,000,000	16,080,000
Indus. & miscell.	47,567,300	54,607,300
Totals	$156,134,724	$88,370,800

* * *

Interest Rates

Another favorable sale of treasury bills was made by the Dominion of Canada on July 2 when $25 millions of 90-day bills were sold at 99.8421. This was a cost basis of .634% and established a new low level for this kind of financing.

The previous low mark of .643% was reached first on Sept. 15, 1936, and again on June 15, 1937.

Those who are hoping for higher interest rates will find little encouragement from this trend of short-term money toward lower cost. The Canadian bond market has given a favorable reception to several large corporation bond issues lately and what municipal issues are offered have found a ready sale.

* * *

Bond Index

Little change has been noted in the course of prices for high-grade Canadian bonds in the past week. The July 1 holiday and practical closing of the market on July 3, when the Toronto and Montreal stock exchanges were closed, made for an inactive period.

The Financial Post Index of Average Price and Yield of High Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
July 6	113.74	3.280	July 7	116.67	3.093
July 5	113.74	3.280	July 6	116.42	3.116
July 2	113.78	3.275	July 4	116.38	3.123
June 30	113.78	3.275	July 3	116.42	3.120
June 29	113.79	3.275	July 2	116.42	3.120
Year's Range	116.31 111.60	3.206 3.505	Year's Range	117.91 111.50	2.966 3.597

Peterborough County, Ont.—The 1937 tax rate has been set at 9.815 mills, a reduction of more than 3½ mills from the 1936 rate. Estimated revenues from the 1937 tax levy are $104,520 compared with $133,414 in 1936.

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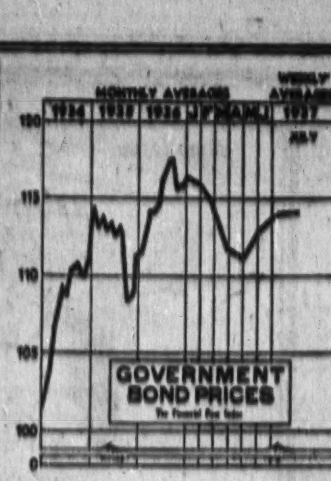

Municipal Finances

Saint John, N.B.—Council is being asked to authorize a debenture issue of $177,330. It has been suggested that the city buy this issue for its sinking fund and that the interest rate be 3% for the first five years and 3½% on the 6 to 10 year issues.

* * *

London, Ont.—Premier Hepburn of Ontario has notified the city council that the city's programme of issuing $75,000 of debentures for floods will be protested at the next session of the Legislature. The Premier suggests that all of the expenditures be taken care of in next year's tax rate.

* * *

Windsor, Ont.—Ontario Court of Appeal has dismissed an application made by non-assenting holders of Walkerville bond issues for permission to appeal from the June 15, 1937, order of the Ontario municipal board approving the refunding and amalgamation of the municipalities of East Windsor, Walkerville, Windsor and Sandwich.

* * *

Ottawa, Ont.—The city's share of unemployment relief for the five months ended May 31, 1937, was $378,516 compared with $375,648 in the corresponding period of 1936. For May the city's share of relief costs was $64,597, a reduction of $15,996 over May, 1936. Including the contribution of the Ontario and Dominion governments, gross expenditures for relief in Ottawa have been $933,516 in the five months of 1937 compared with $1,095,032. An issue of $530,000 of five-year 2% debentures is planned to cover unprovided cost of 1936 relief.

* * *

Preston, Ont.—Providing no additional debentures are issued in the meantime the town will be able to repay its present debenture debt of $515,721 in the next 25 years, according to a report forwarded to the Ontario department of municipal affairs. The 1937 tax levy includes 13.6 mills to meet the year's portion of debenture principal and interest. This will be reduced to 8.15 mills in five years and 1.6 mills in 10 years.

* * *

Quebec Municipal Commission—The commission has authorized payment of interest by the following municipalities: Village of St. Benoit-Joseph-Labre, Matapedia County, interest due July 1, 1937; Village of St. Simeon, Charlevoix County, interest due June 1, 1937; Town of Jonquiere, Chicoutimi County, interest due July 1, 1937; School Corporation of St. Michel-de-Mistassini, Lake St. John County, interest due Aug. 1, 1937.

* * *

Northumberland and Durham County, Ont.—Tax rate for 1937 has been set at 10.5 mills, a reduction of one mill from the 1936 rate. Expenditures for 1937 are estimated at $372,590 compared with $405,690 in 1936. The greater part of the decrease is due to the province assuming old age pensions and mothers' allowances.

Bond Sales

Hospital Ste. Jeanne d'Arc

The Hospital Ste. Jeanne d'Arc, Montreal, has sold $850,000 of 4% bonds, due May 1, 1949. The bonds were offered in May, 1937, by Lagueux & Darveau at 100.

Les Soeurs de l'Hotel Dieu du Saint-Basile

A bond issue of $100,000 of 3½% and 4% bonds, due 1942-47 and 1952-57 has been sold by Les Soeurs de l'Hotel Dieu du Saint-Basile. The bonds were offered in May, 1937, by Lagueux & Darveau at 100.

Magog Schools

The School Commission of Magog, Que., has sold $80,000 of 3½% debentures to L. G. Beaubien & Co. at 96.09, a cost basis of 3.82%.

Sorel Schools

The Sorel School Commission has sold $22,500 of 4% 1-15-year serial debentures to Banque Canadienne Nationale at 98.57, a cost basis of 4.21%.

Catholic School Commission of Verdun

The Catholic School Commission of Verdun has sold an issue of 4% non-callable bonds to L. G. Beaubien & Co., Montreal, at 97.54. No other bids were received. The bonds are dated July 2, 1937, and mature July 2, 1938-52. Public offering of the bonds is being made at 100 and accrued interest.

The net funded debt of the commission, including this issue is $2,235,976. Collection of school taxes is the responsibility of the city of Verdun, which pays the school commission the full amount of its levy and its due share of the neutral tax, whether collected or not.

Drummondville

City of Drummondville, Que., has cold two issues of 4% non-callable serial bonds totalling $232,900, to a syndicate composed of Rene-T. Leclerc Inc. and Banque Canadienne Nationale at 99.415. The sale includes a refunding issue of $53,000 of 4% bonds dated July 1, 1937, maturing July 1, 1938-62; and a new issue of $179,000 of 4% bonds dated May 1, 1937, maturing May 1, 1938-67. Proceeds of the new issue are to be used for public works. Bids for the issue were as follows:

	Bids
Rene-T. Leclerc Inc.; Banque Canadienne Nationale	99.415
L. G. Beaubien & Co.; Bank of Montreal	99.38
Hanson Bros. Inc.	99.12
A. E. Ames & Co.; Dominion Securities Corp.; Credit Anglo-Francias Ltd.	98.527
Mead & Co.; Bell, Gouinlock & Co.	98.20

Tax Records Better For Canadian Cities

Shawinigan Falls Has Best 1936 Collection Record

ARREARS REDUCED

Best tax collection record in Canada for 1936 was shown by Shawinigan Falls, Que., according to the Citizens' Research Institute of Canada. That city collected all but 6.7% of its current levy.

Ranking next among those cities for which comparable information is available are: Woodstock, Ont., with only 9.3% of the 1936 levy uncollected; St. Hyacinthe, Que., 10.6% arrears; Galt, Ont., with 12.2%; and Ottawa, Ont., 12.3%.

Among 75 municipalities with a population of 10,000 or over, as listed by the institute, those in the western group, Ontario and Quebec all had better tax collection records in 1936 than in 1935. The six cities in the Maritime group, however, showed total tax arrears at 47.8% of the current levy in 1936 compared with 46.8% in 1935.

In municipalities having a population from 2,000 to 10,000, all groups showed a lower percentage of total tax arrears to the current levy in 1936. Ontario municipalities have the best record in both divisions.

St. Hyacinthe Leads

St. Hyacinthe, Que., holds the record for lowest per capita tax arrears with $2.83, followed by Owen Sound, Ont., with $3.52, Granby, Que., with $4.12 and Shawinigan Falls, Que., with $5.12.

The summary shows that there has been a continued upward trend in tax collections by municipalities in Canada from 1934, following three years of continuous decreases. Uncollected taxes, however, as reported by 244 Canadian municipalities, still amount to 42.7% of the combined current levy for 1936. This compares with 48.8% in 1935, 50.7% in 1934 and 51% in 1933.

A comparison of municipal tax collections in a number of Canadian municipalities, as prepared by the Citizens' Research Institute, follows:

Municipality	% Current Levy Uncollected 1936 %	1935 %	Per Capita Total Tax Arrears 1936 $	1935 $
Western—				
New Westminster	16.7	26.1	12.97	16.54
North Vancouver	32.1	36.8	11.30	17.82
Vancouver	18.5	20.6	24.76	33.64
Victoria	18.7	20.6	17.92	18.43
Burnaby District	31.0	40.9	13.94	17.62
Calgary	24.9	24.9	16.69	16.90
Edmonton	10.7	21.1	24.24	26.68
Lethbridge	19.8	20.0	31.85	29.31
Medicine Hat	27.3	26.8	40.59	42.66
Moose Jaw	45.5	47.3	48.48	56.69
Regina	30.3	41.2	22.98	26.56
Saskatoon	36.4	39.4	36.73	38.43
Brandon	42.7	39.8	19.27	30.30
St. Boniface	20.0	33.8	20.72	25.24
Winnipeg	28.8	31.4	14.83	15.87
Ontario—				
Belleville	22.6	23.9	17.37	18.49
Brantford	20.7	21.7	13.73	14.80
Chatham	21.6	25.6	12.98	18.44
Cornwall	20.8	23.9	7.85	9.28
Fort William	13.3	11.8	16.15	16.66
Galt	12.3	12.0	9.65	10.78
Guelph	25.5	30.9	19.58	23.22
Hamilton	17.9	21.5	14.95	17.09
Kitchener	13.2	14.0	6.47	9.43
London	17.7	16.6	15.53	16.53
Niagara Falls	21.2	23.2	6.03	12.41
North Bay	24.2	24.3	22.50	21.10
Oshawa	16.7	22.3	16.85	19.23
Ottawa	12.3	12.4	9.12	9.85
Owen Sound	14.2	15.8	3.52	6.11
Peterborough	13.0	15.0	6.22	10.64
Port Arthur	13.4	16.4	19.34	26.50
St. Catharines	19.0	20.9	13.55	16.02
St. Thomas	17.0	17.9	17.77	18.99
Sarnia	26.1	25.7	24.69	24.21
Sault Ste. Marie	23.1	24.6	16.09	16.72
Stratford	21.6	21.7	18.59	20.13
Sudbury	18.7	28.7	11.26	19.91
Timmins	22.5	29.2	6.19	7.92
Toronto	16.0	17.8	14.79	14.54
Welland	20.7	22.8	17.01	19.13
Woodstock	9.3	9.7	5.46	5.00
York Township	31.7	36.0	24.28	26.59
Twp. of East York	37.9	39.7	19.82	19.49
Scarborough Twp.	40.2	44.2	21.77	30.56
Etobicoke Twp.	40.8	44.7	36.18	53.30
Quebec—				
Granby	18.6	21.0	4.12	4.03
Hull	29.0	29.4	10.06	11.23
Joliette	32.2	30.4	5.56	5.35
Lachine	24.0	28.3	13.90	18.32
Montreal	25.3	29.7	17.58	21.39
Outremont	19.6	28.6	13.58	16.67
Quebec	27.5	37.8	29.89	29.38
St. Hyacinthe	10.6	16.2	2.83	4.00
Shawinigan Falls	6.7	8.8	5.12	6.80
Sherbrooke	22.7	24.1	7.99	9.76
Sorel	26.9	26.2	3.85	3.57
Verdun	20.2	23.7	6.46	7.54
Westmount	19.5	21.4	24.13	26.11
Maritime—				
Moncton	27.9	27.6	11.06	13.21
Saint John	32.6	29.6	19.96	16.20
Glace Bay	29.1	36.0	10.45	11.34
Halifax	25.6	26.9	15.19	14.93
Sydney	28.5	32.6	15.35	17.01
Charlottetown	25.3	23.5	9.53	8.15

Bond Tenders

Noon, July 8, Ottawa—$830,475 2, 2½ and 3%, maturing in 5, 10, 15 and 20 ins.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

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SEPTEMBER FIRST, EXPORT MANAGER with seventeen years experience Foreign Trade in Canada, West Indies, Philippine Islands, Japan and China. Thorough knowledge manufacturing, all phases export merchandising and foreign distribution. Capable organizing department, developing new territories. Excellent references. Box 93, The Financial Post, Toronto.

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COST AND GENERAL ACCOUNTANT of advanced training and thorough experience in automotive and kindred industries, seeks change of position. Has comprehensive knowledge of modern business methods and a proven record in the reduction of costs and operating losses and the control of factory and commercial expenses. Accustomed to full responsibility and able to render constructive service of considerable scope. Canadian. Moderate salary. Please write Box 82, The Financial Post, Toronto.

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OWNER'S cottage, well furnished, on beautiful Soyer's Lake, Haliburton, available latter part of August, sleeps eight, cellar, ice box, completely screened, large living room with fireplace, oil and wood stoves, boat. Reasonable. Particulars Box 77, The Financial Post, Toronto.

Keefer Realty Extends Time For Bond Deposit

Time for deposit of Keefer Realty Corp. first mortgage bonds under the proposal for selling the property has been extended to July 31, 1937. At present over 50% of outstanding bonds have been deposited with the committee but 65% is needed to make the offer binding.

The proposal before bondholders is to sell the property for $450,000 which would return bondholders 52½ cents on the dollar.

T. A. Welch Elected Biltmore Hats Board

T. A. Welch, Toronto, is now a director of Biltmore Hats Ltd. He replaces A. G. A. Spence, also of Toronto, who resigned.

The president, F. R. Ramsay, in a recent letter to shareholders stated that "the question of a bonus on the common stock will be considered after the results for the complete year have been obtained." The company's fiscal year ends Nov. 30.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can Steamships	5%	1943	Aug. 15	105
Metropolitan Bldg.	7%	1944	July 15	103
Can. Cons Rub.	6%	1946	Oct. 1	110
Religious Issues:				
Hotel Dieu St.-Valier, Chicoutimi	5%	1937	Oct. 1	...
Dom. Tel. Sec.	5½%	1978	Aug. 2	100

Montreal Debt $276 Millions

Increase of $2.5 Millions Is Shown for Year of 1936-37

From Our Own Correspondent

MONTREAL.—The city of Montreal's financial statement for the year ended April 30 last shows the net debt of the city to have increased by $2,577,114.

Total funded debt now stands at $276,207,378, compared with $275,584,877 at April 30, 1936. Net debt amounts to $201,581,016. Temporary bank loans amount to $13,628,000, of which $10,650,000 are in anticipation of revenue and $2,678,000 for relief payments.

As at April 30 the city loan power had passed the legal limit by $3,815,420, or 0.42802% of the taxable valuation. The net debt of the city now represents 21.9106% of the taxable property valuation and is equivalent to $227.78 per capita.

$15 Millions of Arrears

Tax arrears amount to $15,598,835, of which $14,092,137 are realty taxes and the remainder water and business taxes. Total accounts receivable including arrears of taxes amount to $19.9 millions.

The sinking fund totals $45 millions, of which $38.5 millions is against the city's direct debt; $3.4 millions for catholic school bonds; and $3.1 millions for protestant school bonds. There is a total of $32.6 millions of city bonds for which no sinking fund has been provided.

Under indirect liabilities are included $34 millions of school commission bonds which the city has guaranteed and its pro rata share of the Montreal Metropolitan Commission debt which amounts to more than $20 millions.

Permanent assets of the city are valued at $189.6 millions.

Relief expenditures by the city in 1936 totalled $6.8 millions, bringing the total for the past seven years to $35.3 millions.

Revenue surplus increased during the year by $261,076 to $377,327.

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To the Shareholders

GYPSUM, LIME and ALABASTINE, Canada, Limited

Depletion of Cash Resources under Mr. Haire's management prior to 1933, prevented regular payments to Sinking Fund.

Charges have been made by the faction seeking to have Mr. R. E. Haire returned to office as managing director of your company, that the present directorate has failed to make regular payments to the sinking fund to retire the bond issue of $4,000,000 which Mr. Haire, during his term of office, floated as a first mortgage against the assets of the company. It is important to note that this almost equalled the amount written off assets in 1935.

The directors would be remiss in their duty to shareholders if they did not place the facts before them, so that shareholders might have an opportunity of voting in their own best interests at the special general meeting called for July 15.

PAID UNEARNED DIVIDENDS

When your present directors took office early in 1933, they found only $18,739 cash on hand. This was directly due to the fact that **Mr. Haire, in 1930, paid dividends of $594,303 while the company earned only $308,365. In 1931, earnings were only $39,237 as contrasted with dividends paid of $225,396.**

In other words, had Mr. Haire paid dividends out of earnings instead of out of the company's reserve funds, there would have been on hand, available for payment to sinking fund on the bond issues, almost $500,000.

However, this depletion of the company's cash reserves on unearned dividends, was only one factor which made the position of your present directors almost an impossibe one.

BOUGHT AT SELLER'S OWN PRICE

When Mr. Haire started out on his program of expansion in 1928, to finance which, bond issues totalling almost $4,000,000, became a fixed charge against the company's assets, **purchases were made at prices greatly in excess of the actual value of the properties and plants secured. In many cases the seller's own valuation was accepted**—and these values included capitalized good will based on boom-time production facilities.

It will be quite apparent to shareholders that purchases made on this basis, combined with depletion of cash resources, made it impossible for the company to earn both interest and amortization on the plants..

The necessity of rebuilding the working capital prevented regular payments against sinking fund, but, in spite of these and other difficulties, **your company now holds sufficient bonds to retire 50 per cent of the arrears.** In addition, the interest payments of more than $200,000 per year have been met regularly.

SALES VOLUME IS SATISFACTORY

In spite of claims that your company's sales have not kept pace with residential building permits, **your directors are in a position to state that the steady upward trend has been capped by a recent sharp upswing which definitely proves the efficiency of present sales policies.**

Your company, during the past four years, has developed a large and profitable industrial business. To use residential permits as a yardstick to measure a cross section of your company's total business is, of course, absurd.

Since inauguration of the present directorate, your company has succeeded in opening new markets to help offset the effects of depression. Through your research department, new and valuable products such as Gyproc Wool and Alatint have been developed. **These added considerably to the company's total volume of sales.**

By a much better yardstick, that of competing companies and companies closely allied to the building industry, your company's sales increase is satisfactory. **It is approximately the same as its competing companies.**

In this connection, it must be borne in mind that your company's products are not used in building until some time after permits have been secured. **Your company will undoubtedly show further substantial sales increases in the second, third and fourth quarters of 1937 as a result of the total increase in building permits in the first four months of the year.**

* * * * *

Your directors are most anxious that shareholders shall secure all facts relative to the question at issue. In this connection a letter has been prepared and is now available, which sets forth the situation accurately and in detail.

If your shares are not registered in your own name, or if your correct address is not on file in the company's books, you may secure a copy of the letter by writing to the company's head office at Paris, Ontario.

Your directors believe that their success in putting the company back on a sound financial and business-getting basis merits a continuation of your support.

They ask you to show this support by attending the special meeting on July 15 and registering your vote in their favour, or by mailing, at once, your properly signed and witnessed proxy.

If your shares are not in your own name, or if they are deposited with your broker, you may secure complete information in regard to registering your vote by writing to the company's head office at Paris, Ontario.

HENRY COCKSHUTT,
Chairman of the Board.

Geo. A. Dobbie J. E. McConnell
C. G. Cockshutt S. G. Dixon, K.C.
J. R. Inksater F. Andrews
DIRECTORS

PROXIES MUST BE FILED AT THE HEAD OFFICE OF THE COMPANY, PARIS, ONTARIO, NOT LATER THAN 2 p.m. TUESDAY, JULY 13.

G3

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2
Founder and Chairman — John Bayne Maclean
President — Horace T. Hunter
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ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

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TORONTO, JULY 10, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Mr. King on World Stage

THE smaller democratic nations of the world have an influence in international affairs that is quite out of proportion to their population figures.

Carl Hambro, president of Norway's parliament, in his addresses at League of Nations meetings was able to speak at times for a dozen or more of the North European democracies as well as for the Anglo-Saxon nations and the British Dominions.

When Premier Paul Van Zeeland of Belgium came to Washington to see President Roosevelt he came not merely as a diplomat from a single country but as the spokesman for all the European countries who prefer peace to war, liberty to dictatorship and trade to regimentation.

When Prime Minister King of Canada went to Berlin to see Hitler and his Nazi lieutenants he was able to present to them a point of view that is held wherever liberty of the person, freedom of the mind and faith in the individual are cherished.

The criticism of Mr. King's visit is most difficult to understand. It comes from those extreme Left-wingers who dislike the idea of the head of this country's government fraternizing with a Fascist dictator. If they fear that Mr. King will become imbued with anti-Liberal ideas as a result of what the Realm-leader may have said to him they are raising up a bogey. Conversely, if anyone thinks that Mr. King may have profoundly altered the political philosophy of the Nazi ruler they are drawing an equally long bow.

About all that Mr. King could tell Adolph Hitler would be that there are a certain number of nations in the world which are not interested in war; which desire not to be implicated in wars that are not of their making; which are ready to make reasonable economic concessions to "have-not" countries to avoid war; which are working for economic appeasement in the hope that it may reduce the potential causes of war.

If Mr. King was able to get even one of these ideas through the stubborn skull of the firebrand leader of the embittered German people, he accomplished something for the peace of the world.

It has not been revealed who suggested the Berlin visit to Mr. King. Perhaps President Roosevelt or Secretary of State Hull gave him a few ideas to carry to Der Fuehrer. Possibly the Imperial Conference thought it would be a good move for one of the overseas statesmen to let Germany know that the hand of the whole world is not turned against Central Europe. It may even be that Mr. King was conducting some very secret and significant diplomatic business for the British government under the guise of a friendly official visit. Such things are never known to the public until the next generation writes the history books.

Whatever the purpose of Mr. King's visit it could not help but be a contribution to understanding.

Importance of an Unbiased Press

IT IS difficult to see how American newspaper publishers could have acted otherwise than as they did in rejecting the demands of the American Newspaper Guild — a would-be reporters' union — for a closed shop for editorial and news staffs. The guild has tried to organize in Canada but has made no real progress as yet.

The reporting of news and the writing of editorials are only in a minor degree routine jobs. They call for brain work rather than for the exercise of physical energy. The individual resource, the nimbleness of thinking, the power of quick analysis and the flair for good writing that mark out good writers from very ordinary ones cannot be measured with any standardized yardstick.

Apart from the impossibility of determining what is a suitable level of mediocrity upon which to place all newspaper writers, a much larger issue is raised by the attempt to unionize the men who gather, report and comment upon the news of the day. That issue is the freedom of the press and it is an issue, not a mere bogey.

The good reporter writes the facts as he finds them and with the minimum of conscious color. On a limited number of newspapers he is asked to write the facts as his publisher sees them. In some such cases, the publisher may abuse the privilege of press freedom which society has granted him. Editorial writers generally write according to the policy of their paper, and usually do so sympathetically. It is better to have individual publishers differing as to the interpretation of the facts than to have all of them taking their orders from a common voice of authority. In Germany, the news is unionized under Hitler. In Italy, it is unionized under Mussolini. In Russia, it is unionized under Stalin. God forbid that in Canada and the United States, the reporting and interpretation of the news will ever be subjected to the dictatorship of any individual or group of individuals, whether a government, a bureaucracy, a close corporation of publishers agreeing upon a common policy on all questions, or a news writers' "guild." For even if the guild said it had no desire to dictate the terms in which the news should be expressed it would still exercise such control. Consider labor news, for instance.

The news or editorial writer deals with things that are completely intangible. For instance, reports on labor union activities are an intangible thing. It is a question of opinion as to whether any report is accurate or inaccurate, any comment fair or unfair. How could the public ever have any confidence in newspaper reports of labor activities if they knew that all of them were written by men subject to the rules of a central union office. If every reporter were a member of a union affiliated with the C.I.O., would anybody feel that he was getting a fair and unbiased account of C.I.O. activities from any newspaper?

It may be some readers feel now that they do not get a fair and unbiased account from any individual newspaper. But the idiosyncrasies of one newspaper in one direction are balanced by the prejudices of another in a different direction, while most newspapers seek to avoid prejudice and bias in their news columns. If all reporters were union men there would be bias in all papers and bias on one side only.

The idea of unionizing reporters is making some slight temporary headway but it is a fantastic one and rests upon a completely false idea of the functions of a free press. Today there are plenty of individual biased newspapers, which is not fatal to liberty. But to have a completely biased press would be dangerous.

Transfusion and Confusion

DR. NORMAN BETHUNE, Montreal surgeon, was hailed as a great hero and liberator when he was the head of "the Canadian blood transfusion unit" in Spain. The war is still on in Spain and a great deal of blood is still being spilled but the hero-doctor is back in Canada.

This week he is touring the mining camps of Northern Ontario and Quebec under the auspices, apparently, of the Committee to Aid Spanish Democracy.

John L. Lewis's Committee for Industrial Organization also has its agents busily at work in the mining camps attempting to instigate labor controversies.

These are high-sounding phrases, "Committee to Aid Spanish Democracy" and "Committee for Industrial Organization." They stand for organizations that have at least one thing in common—the support they receive from communists.

Defense of the Constitution

JUDGE JOSEPH WEARING, of London, Ont., recently undertook to criticize the repudiation of power contracts by the Government-owned hydro-electric utility of Ontario.

Judge Wearing's remarks in a public address at Toronto last week are reported as follows:

"As you are well aware, the Ontario Government several years ago cancelled certain power contracts which, in the opinion of many interested people, amounted to spoliation and a violation of vested rights; and, further, that such action was injurious to provincial credit, and, therefore, prejudicial to the interests of Canadians generally. Some of these contracts have since been upheld by the courts, but an act which was passed at the last session, and known as the Roebuck Act, bars any right of action whatever with respect to recovering on any judgment obtained. Yet we hear nothing of any hint of disallowance."

Premier Hepburn, whose Government sponsored the original repudiation of power contracts and the more recent legislation attempting to make the laws of the Dominion ineffective against the Ontario Hydro, now proposes to have the Department of Justice at Ottawa take "immediate and adequate action" against Judge Wearing.

Mr. Hepburn's attitude is not surprising since he has already attempted to repudiate the judgment of the Supreme Court and the Court of Appeal of Ontario. But he has not requested federal action against these courts which have in their judgments pronounced Ontario repudiation legislation illegal under the British North America Act, which is Canada's constitution.

Judge Wearing, of course, was criticizing chiefly an act which has just been proclaimed by the Hepburn Government which says that no one can collect a judgment against the Ontario Hydro even if the courts award such judgment.

The London jurist has taken a stand against interference with the administration of justice under the laws of the Dominion of Canada. He has pointed out the urgent necessity of the Dominion using its powers of disallowance to protect the nation's constitution. At a time when the province of Alberta has attempted to flout national law by issuing its own funny money and by repudiating private debts, and Ontario is also weakening the Canadian confederation by separatist legislation, is it out of place for a member of the judiciary to defend the system he has sworn to administer?

When attacking Judge Wearing, Mr. Hepburn and his followers would do well to ask themselves whether they are living up to the oath of office.

The Nova Scotia Result

THE clean victory of the Liberal Government of Premier Angus L. MacDonald in the Nova Scotia election is capable of a number of interpretations. Possibly the major lesson to be derived from it and the recent British Columbia victory of Premier T. D. Pattullo, is that the trend toward the Liberal party in Canada that has been observable in provincial and Dominion elections for about four years, has not yet run its course. Nova Scotia is traditionally a Liberal province and, failing broad discontent with that party and its politicians, the province should usually be found in the Liberal ranks. But the majority accorded Mr. MacDonald was large and must therefore be encouraging to the party throughout all of Canada.

Col. G. S. Harrington, the highly esteemed Conservative leader, has been regarded as in the front rank of probable candidates for the Conservative leadership in the federal area. His failure to win his own province — and even to win his own riding — may dampen the enthusiasm for him among Conservatives in other provinces. By the same token, the national prestige of Mr. MacDonald has been raised.

A most promising feature of the election was the recognition by Liberals and Conservatives alike of the importance of budget balancing not only as an element in good government but as a plank of holding a wide popular appeal in any party platform. There was a good deal of juggling of figures on the hustings to prove that the government had balanced its budget or had not balanced its budget. On this particular point The Financial Post was widely quoted by both sides, which is at least a recognition of the independence of this paper. The facts are, of course, that the MacDonald government did balance its last budget except for certain relief charges, which were funded. Thus the argument centred around the interpretation of the facts rather than around the facts themselves.

The election results may encourage Liberals in Alberta to challenge Premier Aberhart to an early electoral show-down, while they should also put new hope into Premier Hepburn's somewhat disturbed ranks in Ontario, where it is not easy to say what the next provincial election issue will be. There are those who will want the election to be fought on the dog-eared separate schools question, while other political leaders want to concentrate discussion on Mr. Hepburn's policy toward the C.I.O. Mr. Hepburn himself seems to be giving a great deal of attention to the question of public health, and may ask public support on his record in the control and prevention of disease.

Editorials in Brief

"Don't worry. There is nothing wrong with the stock market that can't be cured by rising prices."—*From a broker's letter.*

That is like saying there is nothing wrong with a sick patient that cannot be cured by better health.

• • •

A bye-election for a vacant Edmonton seat in the Alberta Legislature, says Premier Aberhart, is "wholly unnecessary" and would cost $3,500. But it might be a cheap way of demonstrating the fall of "social credit." Apparently it is more justifiable in Mr. Aberhart's eyes to go to the expense of bringing more of the Douglas prophets of false money doctrine to Alberta to try to fool the people.

• • •

The Moose Jaw Times-Herald has been going to great lengths to support the Moose Jaw plan to pay bond interest at 60 cents on the dollar. Recently it cited part payments of interest on Windsor bonds for the period from 1932 to 1935 as a parallel for the proposal to force 60 cents on the dollar upon Moose Jaw bondholders. Apart from the fact that the Times-Herald has the facts badly jumbled, it may be news to that paper to learn that the Windsor settlement was the result of a compromise with bondholders, not a coercive plan.

The Times-Herald states that Moose Jaw's bankers did not oppose the interest cut and therefore recognized the equity of the reduction of interest. On this point, we can only suggest that the Moose Jaw journal should ascertain the basis on which further bank credit would be advanced to the city.

Sayings of the Week

"Fascism has no roots in Britain."—*Sydney R. Elliott.*

• • •

"You don't have to be crazy to get along in Hollywood but it seems to help."—*Rian James.*

• • •

"You can always hear a war coming. Listen for the clashing of symbols."—*Howard Blake, in Coronet.*

• • •

"Democracy implies and demands leadership as essentially as any dictatorship." — *Stanley Baldwin.*

• • •

"A free press, if you judge by the attitude of the readers means newspapers that are virtually given away."—*Walter Lippmann.*

• • •

"Freedom is the essence of our life within the British Commonwealth. We like to manage our own affairs."—*Prime Minister Mackenzie King.*

• • •

"A new kind of centralization of economic function and a new kind of decentralization of administration are both wanted simultaneously."—*Sir Josiah Stamp.*

• • •

"The question to plan or not to plan is essentially a red herring. The issue is not between a plan and no plan but between different kinds of plan."—*Prof. Lionel Robbins.*

• • •

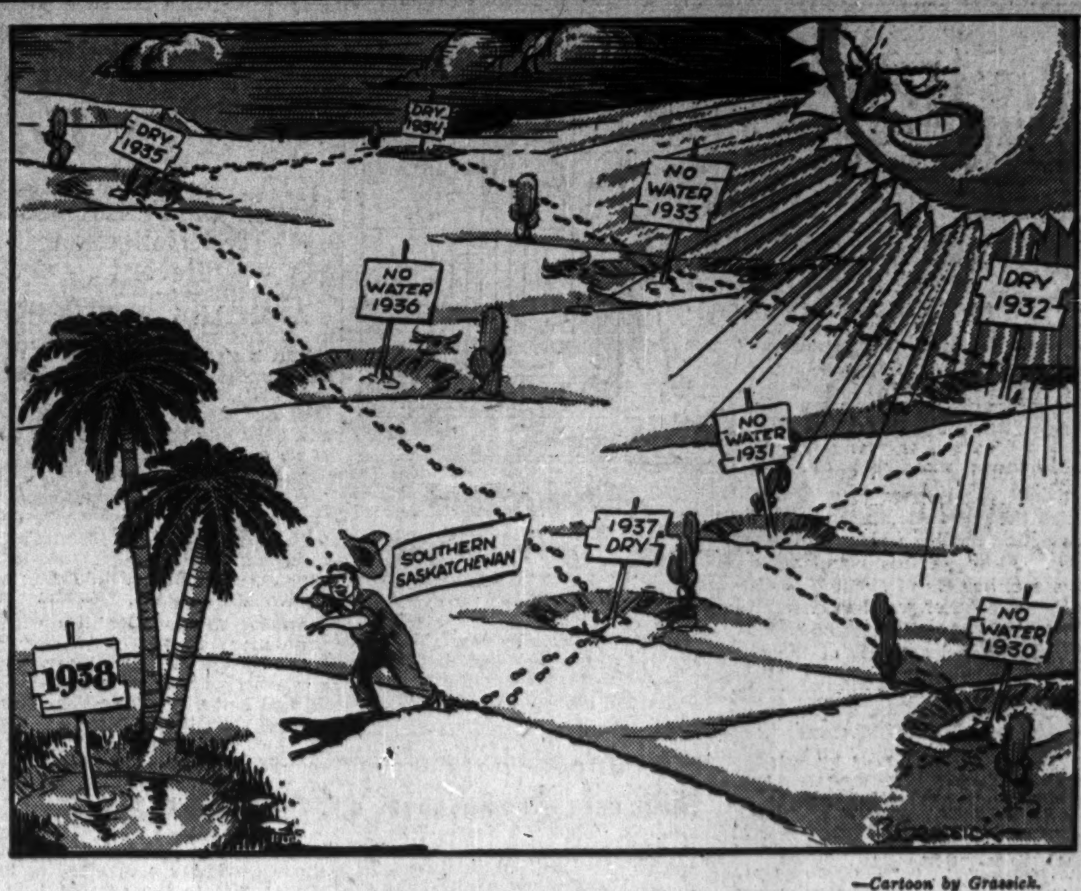
"Britain has not and will not modify her time-honored principle that the Mediterranean is a main arterial road, not merely a British short cut to the Orient."—*Anthony Eden.*

• • •

"In my opinion Europe is not in need of American capital. When conditions are safe for investment Europe will find ample capital within its own borders."—*Premier Van Zeeland.*

• • •

"Anthropology is the science of man, but after nearly a quarter of a century of study of that science, I have decided that the proper function of the anthropologist is to apologize for man."—*Ernest A. Hooton.*



—*Cartoon by Grassick.*

THERE'S STILL HOPE

Britain and the Ottawa Pacts...

By D. GRAHAM HUTTON
British Economist and Writer

The depression acted as a final potent stimulus to all those post-war tendencies which reversed the pre-war trends of trade and political relations. The post-war era became one of national sovereignties in acute conflict, more on the economic plane than upon the political.

After a decade of ill-assorted national expedients—most of them of a protectionist kind—the world depression hastened "trade's proud empire" to a swift decay. By 1929, fifteen years after the outbreak of the War, world trade had only just passed the 1914 mark, despite a growth in population and technique of production.

Between 1929 and 1932 it fell by one third of its 1929 volume. From 1932 to 1936 it rose to four fifths of its magnitude in 1929. There it remains.

Today, however, world trade is a mere sum of so many bi-lateral transactions, conducted on conflicting and disparate principles. Clearing agreements, payment and exchange agreements, bilateral trade treaties excluding the most-favored-nation clause, barter (compensation) agreements, trilateral and multilateral compensation agreements (i.e. those of the Rome bloc, Italy, Austria and Hungary)—all these innovations in commerce have destroyed the last vestiges of pre-war unity of world trading relations.

International Riddle

The first question, crucial as much for world peace as for world prosperity, is: Can the trading nations buttress the pillars of their purely domestic recovery by broadening the base of world trade? That is a theoretical question. The second question is political; the answer to it will be as decisive for world peace as for national prosperities. Will they?

In recent weeks it has seemed that the answer to this second, political question might be in the affirmative. The initiatives came from Britain and Scandinavia. These countries were the first to cut the Gordian knot of deflation by the expedient of devaluation in 1931.

Since then they have enjoyed a long and fruitful period of purely domestic recovery, based on very cheap money rates; and the rapidity of the rise in commodity prices has been immediately reflected in sharp rises in their respective bills for necessary imports of raw materials.

Both in Sweden and in Britain, economists have pointed to the danger of a runaway boom, engendered by continuing cheap money, at the same time as the costs of industry and the cost of living—and therefore wages—rapidly rise. Such a boom, from gradual beginnings, might attain the dimensions of a real credit inflation.

In the Scandinavian countries and in British the domestic prosperity, born of the stimulus to investment which cheap money applies, has not been paralleled by an equivalent recovery in foreign trade. But whereas in Britain the areas consequently depressed are industrial, in Denmark, Sweden and Holland these areas are agricultural; both sets of areas are dependent on foreign trade in their respective products.

Freer Trade Blocked

If the British, Scandinavian, Swiss and other states had simultaneously put the principles of reciprocal tariff reductions into work, a freer-trading area would have come into being in 1932 or 1933, Holland and Belgium would have been forced to abandon their gold parities earlier than they did, and other states would have been quickly forced to enter the ring. Of course, the group would have had to denounce the most-favored-nation clause against states which did not enter the ring, either explicitly or implicitly, by not extending such powers the reciprocal tariff reductions accorded to each other. The Ottawa agreements, however, prevented Britain's initiative in that direction.

After four years of crisis-prohibitions, crisis-quotas, and compensation agreements, all of which effectively derogate from the most-favored nation clause, as the League's Economic Committee has repeatedly pointed out, how will the British crisis-tariff, crisis-quotas, and Ottawa agreements affect the new proposals to free world trade of its crisis-fetters?

Quota Blockade

British imports of Danish bacon and dairy products are subjected to an effective quota system. In the case of Belgium only so much Belgian steel can come into Britain under the (private but binding) arrangement with the British Iron and Steel Federation, which obtained a monopoly of the protection afforded the British steel industry in the depression. With Holland and other Scandinavian and Baltic States the same broad principle has been followed, in order that the new British agricultural protection shall be carried out unimpaired by more than a certain amount of imports from abroad.

Clearly the Scandinavian States and Holland — Belgium supplies Britain mainly with semi-manufactures—cannot make freer trade simply by exchanging the same products. And if Poland and the Baltic States join in a freer-trading bloc the same difficulty at once arises, for Britain has concluded bi-lateral trade agreements of the same order with them too; and they export to Britain commodities of much the same kind.

Britain and Low Tariffs

How is Britain to join the new Scandinavian-Low Countries' freer-trade club?

Several considerations now render it both possible and profitable for Britain to assist the movement. The Ottawa agreements have not given British exporters the results they anticipated; they have not expanded British exports to anything like the extent that British exports to foreign countries fell off after 1932. They account for one half of all British exports, while the other half is showing signs of expanding more rapidly. The realignment of the erstwhile gold bloc currencies and the accompanying Franco-British-American tripartite currency agreement of September, 1936, coincided with the rapid upward spurt of world prices and a rise in the volume of world trade; and the international debtor-creditor nexus, so long frozen, is quickly thawing.

The national economy of Great Britain stands—as it has always stood—to gain far more from a general expansion of world trade, world purchasing power, and world shipping and finance, than from another dose of Ottawa, with its partial, deadening effects. If on the threshold of purely national booms, and purely national price-rises, all the trading nations are once more to act as they did in the trough of depression—if once more they are to devise local, narrow expedients in local, narrow markets—then local, narrow booms, and consequent local, narrow depressions seem inevitable.

What, then, can be done, and what part can Britain play? There are three things which Britain can now do, and they are all overdue. First, settle by agreement the British war debt to America, even if only for a certain period ahead and if only by a series of token payments. The consequent accession of American goodwill would be enormous. This done, Britain should take the initiative in attempting to marry the principles of the new American tariff reciprocity agreements with those of the Ouchy Convention.

Farm Marketing

The British Ministry of Agriculture should concentrate on agricultural marketing — the designation of the original schemes under which agricultural protection was imposed—and henceforward Britain should abolish most of her quotas on foodstuff imports. It would pay Britain rather to subsidize branches of home agriculture which after drastic market organization still prove uneconomic, and to revert to free trade in foodstuffs. And it might not be unwise to organize special shipping facilities for import of foodstuffs, together with special storage facilities in view of a threat of war.

The third line of advance emerges from the two former, the way in which the Ottawa agreements are to be worked out. The disastrous mistake of 1932 was to use these agreements as a door which could be banged to with the rest of the world outside. Since 1932 the world outside has gone from bad to worse politically; empires are now coveted by totalitarian states, and the principle of economic trusteeship wears a tarnished appearance, as General Smuts has suggested. If Britain wants to make a bold step forward toward freer trade, she can set about it by co-operating with the United States, the Oslo and the Ouchy group of states, and the British Dominions.

Essential Conditions

Two conditions are essential. The most-favored-nation clause is not to be unconditional, but confined to states that reciprocally accord each other special concessions. Trade between these trading nations, which comprise the empires of the world and the world's remaining democracies, must be freed from the hindrances imposed during a depression which has now well-nigh disappeared. Britain, the United States, France, Holland and Switzerland can dispose of the monetary resources required to manage the exchange relationships of this freer-trading club of nations. Only a small beginning in tariff reductions, coupled with abolition of import quotas, would work immediate benefits to all participants. And once the club was really founded and made a going concern it would spread—as it should—over a wide area. Its membership would be open to all comers who would observe its fiscal articles. Very soon scarcely any nation could afford to remain outside it, just as very few could afford to remain at the old gold parities.

New Books

Federal Subsidies

FEDERAL SUBSIDIES TO PROVINCIAL GOVERNMENTS IN CANADA. By James A. Maxwell. Published by Harvard University Press. Price $3.

Prof. Maxwell, a New Brunswicker, now at Clark University, Worcester, Mass., has written here an impartial and objective study of the history of federal subsidies which should prove of special interest to students of public finance at a time when some of the provinces are again demanding a revision of the financial terms of Confederation because of financial difficulties.

The complete record of unconditional subsidies to the provinces is given. Subsidies granted at the time of Confederation or when a province entered the federation were intended to be final, but time after time better terms have been granted to pay political debts or to win political support. The tendency of federal politicans has been to solve provincial grievances by granting larger unconditional subsidies. Every grievance has had "its price."

No Final Satisfaction

Furthermore, the granting of any concession to a particular province was made the base of claims by other provinces. The plaintiff province usually insisted that it merely wanted "equality" with the other provinces, but if the demand was granted the other provinces then found that they had been placed on an "inequality basis." As a result there was little chance that any province would ever be satisfied.

A number of striking parallels between the present and the past are drawn by Prof. Maxwell. One may be mentioned. In 1878, Hon. John Norquay, Premier of Manitoba, in asking for further subsidies stated that in the past, expenditures had been kept down "by a system of economy sometimes incompatible with the dignity of our institutions, and by ignoring persistently the ever increasing requirements of the province." This is very similar to one of the arguments being used by the present Manitoba administration for the revision of the financial basis of Confederation.

A suggestion worthy of study, and which perhaps should be submitted to the Royal Commission to investigate Dominion-provincial relations, is that the Dominion Government should lift a substantial portion of debt from the provinces in return for abolition of unconditional subsidies. As a basis for such a scheme the present subsidies might be capitalized at 3% which would mean that the Federal Government would assume $566 millions of provincial debt.

"Conditional" Subsidies

It is suggested that greater use might be made in Canada of conditional subsidies. The Dominion, it is argued, should not assume the control of any function unless it can administer them more efficiently than the provinces. If the Dominion assumes part of the financial responsibility it should also assume partial control through supervision. This would enable the country to combine the benefits of local and provincial administration with the benefits which flow from national oversight and co-ordination.

Post-Scripts

Signs of the Times

AN OWL, unblinking but prideful in his golden plumage, gazes down from his perch on Notre Dame Street. In his claws he holds a scroll which reads "At the Sign of the Golden Owl," which to the thousands of workers in Montreal's financial district means Dawson Bros.' stationery store. The owl is one of the few remaining tradesmen's emblems to be found in this older part of Montreal. Electric signs have taken the place of these age-old signs of the time when many could run, but few could read. With their parting also has gone the intimate relationship which once existed between the customer and tradesman, who gave to his business a personality which present day commercialism struggles to secure but seldom acquires.

In the Mail . . .

Harold Butler's Survey

Editor, The Financial Post:

I have read with a keen interest Harold Butler's survey of the world economic situation at the Labor Conference, Geneva. As he is director of the International Labor Office our interest in his notes is increased. While he has succeeded in saying some palatable things, we look in vain for any solvent for the ills of today.

We may grant, however, that the following observation is at least truth-provoking: "If the depression has shown one thing more clearly than anything else it is that economic prosperity and social security depend more on monetary policy than any other single factor."

And we are bound to give our assent to the following: "The strength of every administration tends to be mainly judged by its success in curtailing unemployment and in restoring the incomes of the farmer and the manufacturer to a profitable level."

But when he says: "There can be no doubt that recovery has been mainly achieved by the positive action of governments and people rather than by any process of automatic readjustment," this correspondent begs leave to dissent from the conclusion. Instead, I would write this dictum as follows: If only economic law, that is to say, automatic readjustment had free rein and were not obstructed by impractical legislation and government palliatives, recovery of a substantial character would have been achieved in much less time.

Mr. Butler, too, is ready with his assent to the Roosevelt idea that the most effective method of combating the depression does not lie in the reduction of wages, this, notwithstanding that the farm worker was compelled to take more than a 40% cut in his income. The statement may please, but is it the truth? It has been stated that had President Roosevelt issued an edict when he took office, that all wage and salary schedules of the country be reduced 20%, the existing depression would have faded as the mist of the morning. Do you believe it? I do.

Then, he is pleased to note the increasing recognition of the value of the "minimum wage." But it does not help the man who is looking for work, nor the employer desiring help and unable to pay even the minimum wage. A minimum wage solves nothing in an unbalanced economy and is only another legislative expedient better calculated to retard than hasten recovery. Also the 40-hour week, etc. receives his praise, but he does not discuss its logical results in higher prices.

Finally, this gentleman with the measuring rod sounds the popular chord that the traditional method of deflation had failed to arrest the catastrophic decline of trade, production, prices and unemployment which began in 1929. But the answer is, this catastrophic decline was the result of inflation methods. Deflation was the result.

Confronted with the situation, he says: "Governments deliberately turned to expansionist measures, and encouraging results have been seen everywhere."

What are the encouraging results I ask?

Is $300 millions a year increase in debt of this country encouraging?

Is the decline in the relief burden across this country encouraging?

Is half a million or so idle workers in Canada encouraging?

The trouble is, we are still trying to ballyhoo our way back to prosperity, instead of trying to restore equitable relations between city and country, and between the respective groups making up our national life.

E. S. R.

Fort William.

As Others See Us . . . .

Newfoundland's Future
Renfrew Mercury

The Financial Post of Toronto has done a distinct service to Newfoundland, Britain's oldest colony, by devoting a liberal portion of its last issue to a description of the island's resources, its present position and its outlook for the future. It can be seen that Newfoundlanders have good reason for optimism. The geographical position will place the island on the flying route of the North Atlantic. It is rich in fisheries, in forests and in minerals. The best cod liver oil is there produced. There is much about the island to attract tourists. It is the home of various industries. Much of the soil is fertile. It is not suggested by The Post that construction should start on the damming of the Straits of Belle Isle, but if that work were undertaken and the cold Arctic current shut out Newfoundland and Labrador might "blossom as the rose."

Other People's Views . . . .

Relief by Any Other Name
Vancouver Province

The euphemists—those dear people who must have a soft name for a hard thing—have got into the city hall. Our city council is going to drop the word "relief" from the official documents and records. "Relief" is not a nice word, our aldermen, or some of them, are pretty sure.

We are not going to do away with the relief office, or the department of relief at the city hall, and we are not going to do away with relief. We are not going to find a new way or a better way of dealing with the necessities of our impoverished or destitute fellow citizens. Everything will go on as before, and we shall continue to spend hundreds of thousands of dollars in something in aid of the people who would starve if they did not get it. But we must not call it "relief."

The city solicitor reports that he finds no legal objection to changing the word. He notes with a gentle irony that the relief department will still be administering relief, and that "relief" is what it will still be called by the harder-boiled provincial and Dominion governments.

The Greeks, who had a name for everything, also had soft names for hard things. They called taxes "contributions," and prisons "chambers." The Greeks got that way when they were beginning to go soft themselves. The Athenians, just about the time when they were getting ready to be licked by the Spartans, would have been able to think of a soft word for relief in a jiffy.

Week in Business

Prairie Drought Hits Business in Prospect

Saskatchewan Crop Failure Blasts Hope of Big Gains in Farm Purchasing Power—General Economic Level Well Above 1936

Searing heat in Saskatchewan this week lopped millions off prospective fall business. This loss is serious as a fair crop in that province at anything like present high prices would have put real purchasing power into a large area of Canada that has been on actual relief for several years and badly depressed since 1930.

Fortunately, crop news from the rest of Canada is more favorable. In the eastern provinces near-record harvests are in prospect with plenty of raw material for dairy and live stock production next fall and winter. In place of last summer's $50 millions drought in western Ontario abundant crops are maturing. Manitoba, while threatened by rust, still has excellent prospects and fair crops are almost assured over much of northern Saskatchewan and large areas in Alberta. On the whole, there should be no decrease in farm purchasing power in Canada this year, though the hoped-for big increase can now hardly be expected.

• • • •

General level of Canadian business this year has been running steadily ahead of the first part of 1936, according to the current monthly letter of of the Royal Bank of Canada. "Improvement has been general and there are but few branches of industry where the increase in operations has not reached substantial proportions. Wholesale prices have been rising, employment has increased and merchants throughout the country report retail sales in greater volume than at any time since 1931. While data for May and June are still incomplete, the usual seasonal slackening in business is reported to have been ~~slightly~~ more pronounced this year; production in some industries exceeded demand during the early months of the year and as stocks were increasing, the rate of operations was reduced. Even with this curtailment, preliminary returns indicate that the relative position of industry this year continues substantially above the levels attained in 1936."

• • • •

Hardware trade throughout the Dominion easing off following record spring sales . . . summer wear, beverages, camp and cottage furnishing moving fast since beginning of hot weather . . . jewellery sales running ahead of 1936 . . . automobile purchases slowing . . . gasoline and oil sales at peak . . . drug sales good, groceries normal.

Steel, newsprint and tourist industries operating close to capacity . . . lumbering hit by higher ocean freight rates and decreased overseas demand . . . current catch eastern fisheries below normal, though prices slightly improved . . . railway statistics continue favorable . . . current collection fair to good . . . preliminary fall orders above normal.

Business Indicators

Construction in June up 50% over same month year ago, largely due to increased factory, newsprint, mill, power plant and residential construction. Output of building materials running much ahead of 1936.

Flour production and exports of both flour and wheat down considerably from last year's totals.

Railway statistics both big lines holding steady improvement.

Automobile sales in May up nearly 8% over same month a year ago and cumulative for five months considerably better than last year's sharp gain.

Canada's trade both ways continues to register substantial gains with cumulative for first five months far above 1936 showing.

Indices of current business and retail trade maintain slight lead over last year.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked•.

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (June 26)	•40,368	45,740	1,168,576	1,075,917
C.N.R. gr. earn., week (June 21)	$ •5,056,183	$ 4,565,726	$ 94,996,011	$ 85,461,433
C.P.R. gr. earn., week (June 30)	$ •3,633,000	$ 3,601,000	$ 66,755,000	$ 62,042,000
C.P.R. net revenue (May)	$ •1,574,219	$ 1,450,260	$ 7,065,049	$ 5,615,450
C.N.R. net revenue (May)	$ 1,666,250	$ 933,551	$ 6,232,760	$ 2,465,596
Business Conditions—				
Weekly index D.B.S. (June 26)	•106.3	107.0	......	......
Financial Post index (May)	120.0	106.3	......	......
Iron and Steel (May)—				
Pig iron production (tons)	76,147	56,832	345,666	283,973
Steel ingots and castings prod. (tons)	120,843	94,602	504,453	406,504
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (May)	•17,199	15,920	63,970	51,858
Factory output (May)	17,080	16,389	79,644	73,238
Trucks and Buses:				
Domestic sales* (Apl.)	3,839	3,465	16,505	7,702
Factory output (May)	5,478	3,617	25,086	16,310
Exports (May)	5,075	5,246	27,675	27,804
Financing (May)‡				
Used	$ •4,734,847	$ 3,680,961	$ 14,459,623	$ 10,325,969
New	$ •5,793,077	$ 4,960,491	$ 17,882,466	$ 13,576,381
Construction—				
Cons. Contracts (June)	$ •30,369,600	$ 20,803,400	$ 110,375,800	$ 77,706,500
Production (Apr.)—				
Cement, bbls.	371,839	293,538	780,029	651,781
Gypsum, tons	65,706	40,007	102,360	53,100
Clay	$ 250,272	$ 226,722	$ 730,604	$ 609,875
Agriculture—				
Flour prod., bbls. (May)	•900,266	1,196,330	5,053,720	5,378,549
Flour exp. bbls. (May)	348,566	448,653	1,666,712	1,861,000
Wheat exp., bus. (May)	6,026,507	27,316,963	31,543,967	66,634,021
Cattle sales (May)	54,304	64,423	295,522	329,015
Hog sales (May)	79,135	72,491	439,675	379,203
Newsprint (tons)—				
Production (May)	309,232	267,067	1,471,012	1,219,218
Exports, tons (May)	294,725	236,266	1,324,937	1,076,706
Mining (Apr.)—				
Coal prod. (tons)	973,142	986,033	4,864,761	4,849,322
Coal imports (tons)	616,062	401,146	2,000,536	1,060,926
Gold prod. (fine oz.)	323,327	299,269	1,268,231	1,142,347
Nickel prod. (lb.)	20,206,684	11,018,947	71,064,212	56,669,460
Copper prod. (lb.)	41,080,288	33,491,618	159,493,890	138,171,909
Employment D.B.S. Index (June 1)—				
All industries	114.3	102.0	......	......
Manufacturing	117.9	103.4	......	......
Electric Power Output (May)—				
Total monthly m.k.h.†	2,301,167	2,063,363	11,500,794	10,413,106
Trade—				
Retail trade (index no. of sales) (May)	•75.9	72.2	......	......
Imports (May)	$ •76,707,454	$ 56,120,940	$ 305,147,005	$ 236,206,611
Exports (May)	$ •101,576,635	$ 84,515,466	$ 416,060,132	$ 344,603,615
Other Industrial Factors—				
Dressed lumber, exp.‡ M. bd. ft. (May)	182,758	136,894	680,443	554,498
Boot & shoe prod., pr. (Apr.)	2,219,297	2,065,587	8,017,938	7,525,364
Crude petrol, imp. gal. (Apr.)	56,307,660	54,142,806	213,840,975	220,312,360
Cotton imports, lb. (Mar.)	15,462,512	13,686,113	42,770,417	48,221,720
Raw rubber imp., lb. (Apr.)	3,009,070	2,416,013	15,362,473	14,562,625
Cigarette cons. (May) No.†	375,320	300,069	2,427,117	1,966,407
Sugar (lb.)—				
Melting & sales§ (raw)	91,836,204	82,560,733	210,612,790	207,081,289
Manufactured§	87,559,375	58,330,267	209,735,216	199,940,503
Finance—				
Bank debits (May)†	$ 2,768,765	$ 2,079,199	$ 15,294,091	$ 14,111,283
Bond sales (May)	$ 130,107,054	$ 80,493,752	$ 504,580,785	$ 566,454,257
Life insurance (May)	$ 31,836,000	$ 26,411,000	$ 155,075,000	$ 150,020,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to May 22.

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ORIGINAL RUNS AGAIN

A period of 32 years separates the two Ford models shown above. The old two-cylinder car, bought in 1905 at the door of the then puny little plant in Walkerville, was recently discovered by Ted Dudley of Windsor. He bought it, filled the gas tank, attached a new battery and it started when he twirled the crank which is on the right side. Mr. Dudley had to change the wheels as he could not buy tires to fit. The rest of the car is as it was in 1905, the first year of production at Ford of Canada. In addition to definitely apparent points of distinction the 1905 car cost more and used more gas per mile than the present day model.

Background of Business

Still Export Liquor

Canadian exports of liquor to the United States continue to roll up a substantial volume notwithstanding the fact that domestic distilleries in United States have now had nearly four years since the repeal of Prohibition to mature their own product. Since the end of the Volstead Act, the United States has imported 12 million gallons of liquor from Canada with over 2 millions in the first five months of the current year. These latter imports have been valued at $7 millions alone.

• • •

Auto Top Carrier

Utilizing the vacuum in the engine for attachment, a new device is on the market for carrying boats and other loads on top of motor cars. There are no marring nuts, brackets or screws. The carrier, in two parts, is placed on top of the car and held in position by rubber vacuum cups which are attached to the engine. These rubber cups, reports Canadian Automotive Trade, hold both the carrier and the load. When the motor is running, sufficient vacuum power is created to hold carrier securely under all conditions. When the car is stopped the natural vacuum stored in the frame system and the four rubber cups is more than sufficient to keep the carrier in place.

• • •

Chains Woo Quebec

Chain stores in Quebec will shortly commence a co-operative advertising campaign in which every daily and most of the weekly papers will be used, both French and English. The copy will be of an institutional character, will likely start to appear about end of July and continue at least to end of the year. Individual chains will do a certain amount of similar institutional advertising themselves—in fact, Dominion Stores Limited has already commenced a series in Quebec publications.

The general campaign, states Canadian Grocer, will deal with what the chains as a whole purchase from Quebec manufacturers and farmers, will indicate their value to transportation companies and their employees; what is considered the value of the chains to the housewife, the farmer, the working man and property owner.

• • •

Getting Business

Whether or not 1937 sets a record peak in new business for the Canadian plumbing and heating industry, it will do so in "experience in the art of securing such additional volume," says a current survey of the Canadian Institute of Plumbing and Heating.

The hard school of experience is proving valuable in uncovering both weaknesses and strength in the plumbing and heating trades' campaign for new business, including faults that experience alone could reveal.

The conclusion of the institute is interesting. It finds that "the net result is unquestionably favorable thus far, but we believe the real benefits have yet to be fully felt, both of the H. I. P. (Home Improvement Plan) and of the institute's co-operative advertising and sales promotion campaign."

• • •

Trade Associations Grow

There are now 22,400 trade associations in United States whereas in 1875 there were not more than 50. This growth comments Hardware and Metal, has no doubt been based upon seeing that business problems have been increasing in intensity and that they can be more effectively dealt with through co-operative effort. In many fields the trade association is becoming more active. Paralleling this increased trade association activity, however, this publication points out, activity is tightening up of governmental legislation governing combines and monopolies. In other words with more prospects of monopolistic activity and control through trade associations, governments are taking greater steps to protect the public through legislation providing for the breaking up of groups wherever undue advantage is taken of the consumer.

Gordon Smith Joins Staff Ayer & Son of Canada

Gordon Smith is returning to Toronto to be associated in an executive capacity with N. W. Ayer & Son of Canada Ltd. After service with the Canadian Army in France, Mr. Smith entered the advertising business first in Toronto and later in United States. For the last six years he was on the staff of the New York American, where he specialized in travel, resort, retail and merchandising advertising. He was organizer of the American's aviation department and participated in a 10,000-mile flight sponsored by that paper and Radio Corp. of America to demonstrate the practicability of continuous plane-to-land telephone and telegraph communication.

Mr. Smith is a member of the Royal Canadian Yacht Club and the Canadian Military Institute.

Pressed Metals Sales Indicate Earnings Gain

Sales of Pressed Metals of America for the first six months of this year are reported above $2,150,000, compared with a total of $2.6 millions for the whole year 1936. Earnings last year amounted to $2.58 a share, and the increased volume is expected to result in substantially higher profits this year.

Improvement in this year's volume is due to increased production by U. S. automobile firms despite strikes. Since the U. S. motor industry is planning increased production in 1938, Pressed Metals is considering extensions to its plant at Marysville, Michigan.

Canada Iron Foundries Has Capacity Bookings

From Our Own Correspondent

MONTREAL.—Canada Iron Foundries announced that it has sufficient business on hand to assure full-time production until the end of the year.

The company also announces that 520 men at its Three Rivers plant have been granted wage increases of six cents an hour. The minimum pay for ordinary labor is now 37 cents an hour, 6% higher than in 1929.

ADVERTISING TO REACH THE
RICH QUEBEC CITY MARKET

A Minority that is
a Powerful MAJORITY

CONCENTRATED PURCHASING POWER

So great is the merchandising influence of the English Speaking section of Quebec—comprising as it does leaders in business, professions and society — that Advertisers are wise in cultivating the potentialities of such a market.

Advertisers need to use the English Speaking Daily Newspaper — the CHRONICLE-TELEGRAPH. Its readers include not only those whose origin is English but many influential persons among French-Canadians. To reach the rich market of Quebec City use the CHRONICLE-TELEGRAPH.

Ask your Advertising Department to get full particulars from your Advertising Agency

THE QUEBEC
Chronicle-Telegraph
QUEBEC CITY

Commodities

Continuance of firmness in most items indicates that period of stability so much desired by purchasers of raw materials for autumn and winter manufacturing. Cotton and rubber are slightly easier, with silk, hides firmer and coffee, sugar, cattle and hogs practically unchanged. Stable prices for latter over the past year in contrast with sharply advanced cattle explain why Canadian current pork consumption now running in excess of competitive beef.

Comparative prices follow:

Price Range	Latest week	Previous week	Same week last yr.
Cattle	$9.75	$9.75	$8.00
Hogs	10.25	10.15	9.75
Copper, lb.	.14	.14	.09½
Cotton, lb.	.1249	.1274	.1249
Rubber, lb.	.1938	.1956	.1637
Sugar, raw, lb.	.0350	.0345	.0376
Silk, lb.	1.92	1.89½	1.63
Wheat Man. (bu.)	1.30¼	1.31¼	.92¾
Coffee, lb.	.09⅝	.09⅝	.07¼
Hides	.15½	.15¼	.10¼
Weekly Indices			
N. Y. Annalist	144.3	141.8	122.6
Fishers'	92.5	92.0	83.1
N. Y. Journal of Comm.	89.9	89.5	80.4
Crumps (Brit.)	82.7	82.6	68.5
U. S. Labor	86.7	86.5	79.4
Canada (D.B.S.)	84.8	84.2	72.6
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (May)	82.8	82.3	80.0
W'sale (May)	85.1	86.1	71.9
United States (Apr.)	88.0	87.8	79.7
Gt. Brit. (Apr.)	108.9	107.3	91.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto; Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar—96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North. Ft. W.-Pt. A. Basis; Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto.

July Butter Future Trading

MONTREAL.—Board of governors of Canadian Commodity Exchange will put into effect trading of future contracts for delivery of fresh butter in July, 1937.

Trading in June contracts closed on June 28.

Dominion Coal Calls Meeting

Approval Needed to Cover Current and Future Financing

From Our Own Correspondent

MONTREAL.—In connection with the current offering of $6 millions of Dominion Coal Co. bonds, the company has called a meeting of preferred and common shareholders for July 27 to approve the creation of $12 millions of bonds, debentures, or other securities of the company.

Proceeds from this issue may be used by the company for the following purposes:

(1) To the extent of $6 millions for the redemption of the outstanding first mortgage 5's and outstanding 6% debentures, and

(2) To make payment, to the extent sufficient, to Dominion Steel & Coal Corp. of the price of the entire issued capital stock of Cumberland Railway and Coal Co.:

(3) To the extent of $3 millions for the raising of funds for the general purpose of the company, when deemed expedient, and

(4) The remaining $3 millions for the raising of moneys from time to time for construction, acquisition or sundry betterments, etc.

At these meetings shareholders will also be asked to authorize the directors to proceed with calling the existing first mortgage 5's and the debenture 6's.

Output of Dominion Coal's collieries during June totalled 382,680 tons. This contrasts with 385,555 tons during the previous month. However, compared with June last year, there was a decline of 21,636 tons.

New Bonds Offered

Wood, Gundy & Co. are offering the new 4½% bonds of Dominion Coal Co., due Oct. 1, 1952, at 98.75 to yield over 4.6%. The $6 millions of serial bonds have already been sold. A description of the new bonds follows:

Dominion Coal Co.
Capitalization
(Giving effect to present financing)

	Author. $	Outstand. $
First mortgage bonds	12,000,000	6,000,000
6% pref., $25 par	10,000,000	6,000,000
Common, $25 par	12,000,000	*12,000,000

*All owned by Dominion Steel & Coal Corp.

First Mortgage Serial and 15-Year Bonds

Dated—Oct. 1, 1937; 3½% serial bonds maturing $500,000 a year on Oct. 1, 1937-43; $3 millions of 4½% bonds due Oct. 1, 1952.

Principal and semi-annual interest payable in Canadian funds in Montreal, Toronto, Halifax, Saint John, Winnipeg, Calgary and Vancouver.

Redeemable—At any time prior to maturity at 101 for the 3½% bonds; the 4½% bonds at 103½ before Oct. 1, 1940, thereafter at 102½ before Oct. 1, 1943, thereafter at 101½ before Oct. 1, 1946, thereafter at 101 prior to maturity.

Sinking fund—Commencing Oct. 1, 1944, $300,000 per year for the 15-year bonds.

Trustee—The Royal Trust Co.

Security—A first mortgage on the company's assets.

Purpose of issue—To provide funds for the redemption of $1,380,500 Dominion Coal Co. 5% first mortgage bonds, and $1,196,857 and $411,307 Dominion Coal Co. 6% debentures. The balance will be applied toward the purchase price of the $1 million capital stock of Cumberland Railway & Coal Co. from Dominion Steel & Coal Corp.

Offered—The 4½% bonds offered by Wood, Gundy & Co. in July, 1937, at 98.75 to yield 4.6%.

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Equitable Regulation Of Unionism is Asked By Canadian Industry

Legislation Providing for Accounting of Funds and Preventing Political Abuse Sought — Protection for Non-union Workers Demanded

By GUY S. CUNLIFFE

Notable outcome of the spread of labor organization on this continent has been the growing tendency to cover labor bodies by civil as well as criminal law.

In the United States, the tendency has already borne fruit in the shape of specific statutes and regulations, such as the Wagner Act. In Canada, national legislation governing labor organizations or conferring rights upon them is so far confined to criminal law bearing on strikes and peaceful picketing. The Lemieux Act curb on strikes is effective only regarding transport and coal mining.

But acceleration of union organizing activities, particularly by the C.I.O. and its affiliates, has produced two manifestations of a demand for codifying both the rights and obligations of unions in this country.

One is the new Nova Scotia statute giving specific legal recognition to the right of unions to organize workers and represent them in dealing with employers. The other is appearance among industrialists and labor leaders alike of pressure for statutory definition of the scope of labor organization privileges.

From labor leaders the demand has been, of course, primarily for concession of rights to balance the checks imposed on labor activities by the criminal code. This spring, spokesmen for the Trades and Labor Congress of Canada and its affiliated international unions made a concerted demand upon provincial legislatures for statutory protection of workers desiring to organize and bargain collectively.

Among industrialists, an opinion is beginning to crystallize that any such legislation will be inequitable and incomplete unless it strikes a balance between rights and responsibilities. The feeling behind this opinion is that if labor generally and unions in particular are to be legislated into a position of advantage, assurance should be provided that this position will not be abused; and that some protection will be given both employers and independent workers against such abuses.

Industry Cautious

Laborites generally are pressing for greater leeway under legal blessing. There is no such general concern with labor legislative problems among employers, and those who have pondered the question are playing their cards close to their chest, and if any conclusions are being submitted to public officials, it is being done privately.

Nevertheless, there is a nucleus of Canadian industrial executives who are developing definite views on union regulation. This was revealed by The Financial Post survey of employer views on labor problems.

Suggested Checks

Some of the features that such men feel should be embodied in legislation or regulations covering unions are:

1. Clarifying the legal status of unions, making them able to sue and be sued and more responsible for adherence to contracts.
2. Regulations to impose a measure of control on union activities and methods, and mitigate against use of illegal or disorderly tactics.
3. Registration of unions and official check of their revenues and expenditures, together with curbs on undue use of funds for political purposes.
4. Prohibition of political or sympathetic strikes, and compulsory delaying of all strikes pending attempts at conciliation.
5. Official regulations for taking of votes to determine union affiliation or otherwise of workers' groups, and protection for workers not desiring union affiliation.
6. Forbidding affiliation of Canadian workers' groups with international bodies, or at least with such frowned-on organizations as the C.I.O.

From the survey conducted by The Post, the basic desire of employers in Canada appears to be a broad programme which will ensure that, if they are brought by circumstances to deal with unions, they will have some assurance of relations with stable, responsible organizations.

Equitable Basis

The need for some degree of union regulation is seen by a Toronto executive as only an equitable means of putting industry and labor on a similar footing. He comments:

"At a time of labor unrest such as we are at present going through, it seems more than ever important that labor organizations should be held legally responsible for their acts and undertakings, and those of their members, I favor adequate government regulations. Corporations and incorporated organizations are responsible for their acts and for carrying out all agreements. On a basis of equity as well as for the sake of law and order, it would seem only fair that the same should apply to labor organizations."

A Montrealer engaged in a specialized type of industrial production doubts whether undesirable types of labor groups can be checked in Canada without definite proscription. He says:

"I do not know how it is possible to control the activities of international labor unions except to prohibit any Canadian organization from being associated with them. There is nothing to prevent the international officers of a union from exercising political and economic pressure upon our country through their members.

"In a free country, there is no bar to labor organizing itself politically and assuming the government of the country as it did in England. There is, however, a difference between a labor government elected by the people, governing through the established institutions of the country, and a labor party representing a minority of the people, governing through their exercise of the right to organize and to strike."

Unions, he believes, should be endowed with definite legal entity and restricted sufficiently to prevent dissipation of funds or undue use for political purposes. There should also be a limitation similar to England's curb on general and sympathetic strikes.

Curb on Strikes

Regulations to require responsibility of unions and curb their operations, particularly to ban disorderly and illegal methods, would go far toward diminishing such objection as exists at present to unions, a Toronto executive believes.

A similar attitude is taken by Edward Anderson, K.C., president of the Winnipeg Electric Company. When it comes to legislation barring sympathetic strikes or suspending the right to strike until investigation has been undertaken by mediators, he foresees difficulties.

"It is hard to say whether legislation making awards of boards of conciliation binding upon the parties to the dispute would prove satisfactory, either to the parties involved or to the public. The Industrial Disputes Investigation Act does not deal with the nature of the employees' organizations with which employers may contract. It is an Act designed to avoid trouble arising from strike or lock-out by conciliation, but it is used by labor organizations simply as a means of attaining their ends.

"Every thinking Canadian should endeavor to visualize the consequences of permitting any foreign political or labor group to gain a dominating position in this country. Through strikes and other forms of intimidation against employers and employees, they can control working hours and wages and thereby control the course of all business in this country. They can, if they choose, bring about conditions which will cause loss and hardship to our industries and to our farm population. From this the wage earners themselves will be among the worst sufferers."

Weakness in Laws

The weakness of existing labor legislation and rights in Canada is their lack of balance, in the opinion of an industrialist with extensive interests in Nova Scotia. He declares:

"Enjoyment of rights by a union or any other group should also mean acceptance of responsibilities and obligations. Labor has steadily acquired various rights and privileges and protection in Canada, but this has not been accompanied by acceptance of balancing restraint or concession of compensating rights to employers."

"The Nova Scotia law embodies no provision setting up impartial machinery for taking a vote of employees, such as in the Wagner Act in the United States, to enable the employer to learn whether his workers desire unionization or not. It also forces the check-off on both employers and workers. The Nova Scotia and other provincial and Dominion laws should be supplemented to protect employers from arbitrary and unreasonable demands of irresponsible union groups, against illegal and disorderly union tactics; to ensure that unions really represent all or most of the employees claimed as members, and to impose a degree of supervision and responsibility on union bodies."

One Valuation For Imports Is Demanded

Sedgewick Says Retailer, Wholesaler Should Get Same Duty Basis

RAPS DEPARTMENT

From Our Own Correspondent

OTTAWA.—A question of utmost importance for Canadian business in connection with the administration of the customs tariff was raised by the federal tariff board during the past week when the appeal of the International Fibre Board Co. of Ottawa, the Donnacona Paper Co., Quebec, and Building Products Co., Port Neuf, Quebec, was up for hearing.

The appellant companies were protesting the valuations for duty purposes charged by the department of national revenue upon imports by the Canadian distributors for the Insulite Co. of Minneapolis. The contention was that they were too low.

The commissioners of the tariff board questioned for the first time, the practice which the national revenue department has been following of considering the function which the importer performs—that is to say, whether retailer, wholesaler, or manufacturer—and basing the duty which he shall pay accordingly.

One Fair Valuation

In many cases the difference in duty between payment on the basis of a manufacturer's price as compared with a retail price is as much as 100%. Chairman W. H. Sedgewick contended that the department of national revenue should place one fair valuation for duty purposes for any commodity and that all importers of it should be treated alike.

Under the Customs' Act, the revenue department fixes the value for customs and dump duty purposes of any imported commodity at its "fair market value" in the country of origin. For this purpose the revenue department has regulations requiring invoices of such imports to give the fair market value "as when sold at the same time and place in like quantity and condition for home consumption in the principal markets of the country whence exported directly to Canada."

The revenue department has always interpreted the phrase "in like quantity and condition" to embrace prices. For instance, the price at which a U.S. manufacturer invoices to a reciprocating manufacturer, to his distributor or to independent wholesalers and jobbers has been taken in the past as a "condition" of the "fair market value" for calculating duty. The department has gone further and, for some years, consistently endeavored to class Canadian importers on the same basis.

Thus, a Canadian factory reciprocating with a U.S. factory in the exchange of similar though not exactly the same goods would have the value of these imports for duty purposes fixed at the same figure as the U.S. factory charges reciprocating manufacturers in the United States—not upon the prices which it charges its wholesalers or the retail trade.

Obituary

John P. Callaghan, business manager of La Presse, died in Montreal in his 53rd year. Private secretary to Charles Drinkwater, former vice-president of the C.P.R., the late Mr. Callaghan later joined McKim Ltd., advertising agency, and subsequently was associated with the Frank Seaman Advertising Agency of New York prior to becoming manager of the Marcil Trust. He entered the employ of La Presse in 1922.

Plan Changes in Methods Of Taxing Sale of Books

A change in the method of collecting federal sales tax on books is contemplated by the Department of National Revenue, The Financial Post understands.

A peculiar situation is reported to exist here due to the different methods by which certain publishers operate and there is some doubt as to the equalization of the tax as at present administered.

Generally the tax has been based on the wholesale or production price, but in the case of books some are sold directly by the publisher to the consumer and some go through the wholesale trade.

The manufacturer of a competitive product who sells through a wholesaler might have an advantage in that he would remit sales tax on the price at which his merchandise was sold to the wholesaler or agent rather than on the price at which the article is resold to the public.

The Financial Post understands that changes in the tax collection in connection with books are under consideration but that no other changes are to be expected.

Discuss Set-up Of Aluminium

U. S. Gov't Claims Interlocking Control With American Firm

From Our Own Correspondent

MONTREAL.—Aluminium Ltd.'s fight to divorce itself from the anti-trust suit filed by the United States Government against the Aluminum Co. of America and its affiliates, has brought to light a number of interesting facts regarding the Canadian holding company.

Legal representatives of the Government claim that the formation of the holding company consisted merely of transfer of all or part of the capital stock of 36 foreign corporations, then owned by the Aluminum Co. of America, to Aluminium Ltd.

Asst. Attorney-General Robert Jackson contended that the same nine individuals or organizations own or control 58% of the outstanding common shares of Aluminum Co. of America and 63% of the 592,877 outstanding common shares of Aluminium Ltd.

The controlling interest in Aluminium Ltd. is distributed as follows:

Name	Shares Held
R. B. Mellon	106,120
A. W. Mellon	106,120
Arthur V. Davis	73,608
Paul Mellon	
Trustees of Duke Endowment	23,968
Roy A. Hunt	21,848
Alvah K. Lawrie	20,820
Trustees of Doris Duke	11,984
Maria T. Hunt	12,663
Total	377,101
Percentage	63

Maritime 'Phone Raises Dividend on Common

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. has declared a dividend of 20 cents on the common stock, payable on July 2 to shareholders of record June 19.

The current declaration represents an increase over previous quarterly payment of 15 cents a share

Byrnes Probe Is Adjourned

Succession Duties Case May be Taken to Court

The enquiry ordered by the Ontario treasury into the estate of the late P. V. Byrnes, of Hamilton, has been adjourned until Sept. 7 by Judge D. C. Ross, of Elgin County, who has been conducting hearings.

The enquiry has brought out considerable detail of the transactions by which shares of United Gas and Fuel Co. and Hamilton By-Products Coke Ovens Ltd. were purchased from former holders, such as Mr. Byrnes and resold to investors partly through new securities of United Fuel Investments Ltd.

It is reported that the major reason for adjournment of the enquiry is connected with a reputed offer of I. W. Killam, of Montreal, for purchase of the Hamilton utilities' shares in 1927 or 1928.

As part of its contention that the assets of the Byrnes estate were undervalued for succession duty purposes, the Ontario treasury has submitted evidence at the enquiry that Mr. Killam made a large offer for the assets prior to Mr. Byrnes's death.

From the succession duties point of view, considerable interest has been taken in the enquiry. W. N. Tilley, K.C., counsel for the Byrnes' estate, implied at one of the hearings that he would like to carry the case further. It is understood that this indicates a possibility that some of the Ontario succession duties' cases which have been pressed for additional collection by the Ontario treasury may be taken to court, possibly to the Privy Council in England.

The Ontario Government has recently passed an order-in-council cancelling the discharge of the Byrnes' estate. This move is intended to establish legal ground for the reopening of the Province's claim on the estate for succession duties.

Spotlight on Labor

Electric-Radio Industries

The C.I.O. drive in the electrical and radio industries is apparently to be extended into Canada. Organizers for the C.I.O. unit in that field are reported active in Toronto, Brockville, and other Ontario centres, and to have claimed varying success in enrolling workers of such firms as Thor Canadian Co., Canadian General Electric, and Phillips Electric Co. (Brockville).

* * *

Rivalry in B. C.

British Columbia has become one of the most active battlegrounds in the clash between the American Federation of Labor and the Committee for Industrial Organization. Both associations are carrying on aggressive campaigns to woo British Columbia's labor, their agents making a thorough canvass in all the unorganized fields.

So far, the C.I.O. has not made a great deal of headway except in dock labor and the mines. Unable to break into the solid front of the company co-operative committee of Consolidated Mining & Smelting workers at Trail, the C.I.O. has penetrated several of the smaller mining districts.

A vote is being taken among approximately 4,000 members of the Lumber and Sawmill Workers' Union as an aid to deciding whether the union will leave the American Federation of Labor as the first step toward enrolling with John L. Lewis's C. I. O. Loggers, mill hands and men employed in other woodworking activities bring the total of lumber workers to more than 25,000. Affiliation with the C. I. O. is favored by the union organ, B. C. Lumber Worker.

A. F. of L. organizers are making a strong bid for pulp and paper company employees, but so far have concentrated on Powell River Co., the biggest factor in the industry.

* * *

Newspaper Guild

Plans for organization of editorial and office workers of Canadian newspapers were drafted by the American Newspaper Guild at the same convention in St. Louis at which the Guild voted for C.I.O. affiliation. The Guild had previously been an American Federation of Labor unit, though it was known to have strong C.I.O. leanings. The convention selected as Canadian vice-president a Canadian newspaperman Harry Farmer, formerly on the staff of The Globe & Mail. The Toronto chapter of the Guild includes editorial workers of The Globe & Mail, Star and Telegram, but has made no proposals to publishers. As far as is known, the Guild has enrolled few if any newspapermen in Canada outside of Toronto.

Decision of the Guild to swing to C.I.O. and to launch a campaign for closed shop agreements resulted in calling of a general conclave of publishers' associations in the United States. Leaders of the associations regarded the present Guild policy as a threat to freedom of the press.

Federal Plan Aimed at Cut In Relief Cost

Policy Presages Gradual Dropping of Relief Responsibility

From Our Own Correspondent

OTTAWA.—Unannounced by any formal declaration and unmarked by jubilation, entry into its final phase of the relief policy of the Federal Government is discerned by close observers on Parliament Hill.

Unquestionably the end is not yet. It may even be many months removed. But from now on the aim of the authorities will not be to afford the maximum of employment and support of the destitute, by public works programme and other means. It will be to retire from the field of special employment and direct relief in orderly fashion as private industry recovers its ability to absorb workers.

The relief budget for the current year is $15,000,000 below last year and hopes are held out for saving another $5,000,000. The first stage of the winding-up Canada's vast relief enterprise is proceeding somewhat more favorably than the Federal ministers anticipated when they set out to prune the budget for the first year of real relief retrenchment.

The course the Dominion Government is now following is in sharp contrast to the policy to which the Roosevelt Government in the United States has found itself bound. In Canada the Government became an employer only as the situation demanded it, and now it is simply retiring from the field. In the United States, on the other hand, huge employing agencies were built up by the Government, the discontinuance of which now would threaten the economy of the Republic.

Improved Conditions

As to conditions in the Dominion from the standpoint of the relief problem, approximately 100,000 fewer Canadian families are receiving aid today than were being assisted at the worst period of the depression, generally regarded as the month of April, 1933. At that time, exclusive of the drought area, 267,803 Canadian families were on relief. Today, while the precise figure is not obtainable, the number is generally understood to be in the neighborhood of 175,000 and to be dwindling rapidly.

The diminution is at a much greater rate than the annual seasonal improvement and is regarded by officials as evidence of improvement in general economic conditions.

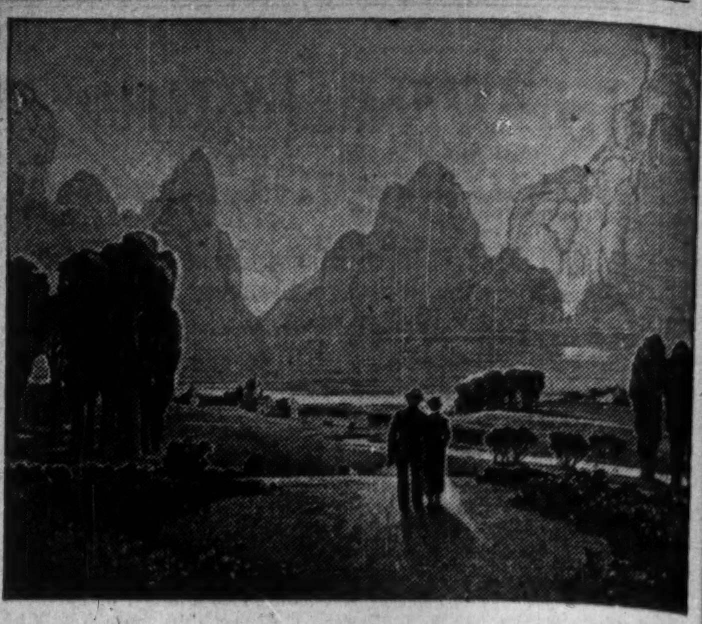
For the first time the Government is beginning to feel the relief problem is receding and progress is being made toward the final goal when relief will no longer be required on a large scale. That happy prospect is not visualized yet as within the range of early probabilities, however.

Constructive Policies

The general situation has improved to the point which permits adoption of more constructive policies than was possible when the main concern of the Government consisted of the welfare of the masses of the people whom it had to assist. Gradually a selective method is becoming feasible in the work of the administration; groups are being dealt with less on the grounds of the number of mouths which they present for feeding, and more in accordance with their particular needs in order to become self-supporting once again, or improved in morale.

In the total of $30,000,000 which the federal authorities expect to spend this year, there will be included $1,000,000 for a programme of youth training at present being worked out in co-operation with the provincial governments. Another $400,000 is to be devoted to settling suitable families on farm lands. And upward of $3,000,000 is to be applied to a scheme for encouraging farm employment.

The outstanding success of the Government's efforts during the past six months has been in regard to the farm placement scheme, worked out by Hon. Norman MacLeod Rogers, minister of labor, when he closed the relief camps. No less than 46,000 individuals were helped under this plan during the winter. The cost to the Government was $13.50 a month per man, against a relief camp cost in excess of $30 per month.



ENJOY YOUR SUNSET YEARS

EVEN if you can take age 60 at full stride, it may be wise to slow down a bit. But that doesn't mean that you ought to begin pricing wheel chairs.

More people in this country have now reached the age of 60 than ever before—due in part to better observance of the laws of hygiene. Furthermore, their numbers will increase.

Whether one looks forward to a time when he can be increasingly useful, or to well-earned leisure and contentment, age 60 offers a wealth of future possibilities. Be ready to enjoy your sunset years. Follow these few simple, pleasant rules:

Good Mental Habits. Many have learned to make their lives richer and fuller by keeping their minds young and open to new ideas. Keep up your enthusiasm. Learn more about those subjects you like best, or take time to explore new fields. An interesting hobby adds to the enjoyment of life.

Sleep and Rest. Older people need more frequent periods of rest. While you sleep or rest, Nature does her best repair work—restoring the energy you have used up.

Food. Eat less as you grow older. Three "square" meals a day, easily digested in earlier years, may not be necessary as time goes on. You may find that if you eat moderately your meals will be just as enjoyable and more healthful.

Water. Drink plenty of pure water, beginning the day with a glass or two and drinking freely during the day. The body needs water to help carry off waste products. When Mark Twain facetiously said, "A moderate amount of drinking water never hurt anyone," he was entirely right.

Sunshine and Fresh Air. You need these two great tonics all year round. Let the sun shine on you; it kills germs and brings health. But in sweltering weather be especially careful not to overtax yourself. Fresh air, like sunshine, is a friend to good health. Breathe it deeply.

Exercise and Play. Get some form of moderate exercise every day. It is an excellent aid in prolonging life. Without exercise the muscles become flabby. If you can make play of your light exercise, so much the better. When recreation stops, old age begins.

Ask your doctor at least once a year for suggestions as to what you may safely do, as well as wisely avoid. Send for free booklet, "Health, Happiness and Long Life"—a guide to better health all through life—from youth to old age. Address Booklet Dept. 7-F-37, Canadian Head Office, Ottawa.

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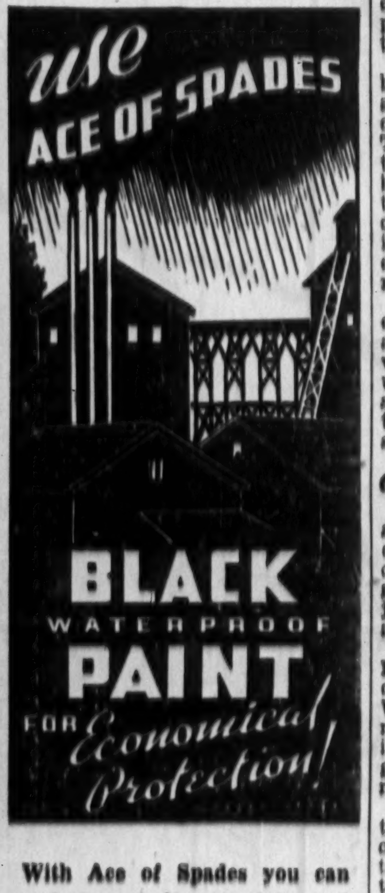

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General Steel Wares

A client of ours holds a block of General Steel Wares 7% preferred stock. We understand that the company is to be reorganized and, if this is correct, would you be kind enough to send us particulars.

It is the intention of General Steel Wares to carry out a capital reorganization, which will eliminate arrears of dividends on the preferred stock and make possible resumption of dividends on a regular basis. There has been no official intimation as to what form the proposed plan will take but, undoubtedly consideration will be given to all claims of the preferred shareholders. Financially the company has brought about a considerable improvement in its balance sheet position and earning power. It is anticipated that the savings on the new bond issue will add materially to earnings on the preferred stock this year. In addition sales have increased so that the position of the preferred, from the point of view of earnings, is considerably better now than it has been for several years past.

B. A. Oil

What proportion of British American Oil Co.'s earnings are coming from operations in the United States? Is the company likely to be able to continue to pay the current dividend of $1 a share on its common?

British American Oil Co. showed earnings in 1936 amounting to $1.41 a share last year, the highest in the company's history, compared with $1.10 a share in 1935. Some 95 cents a share of the 1936 earnings came from Canadian operations, so these profits were actually reduced. This was largely due to increase in the sales tax in 1936, and the higher cost of crude oil. On the other hand, the company showed 46 cents a share of earnings in 1936 from its American producing subsidiary. No such earnings were taken into the 1935 report. The company should be able to show some increase in American earnings this year because crude oil prices have recently been raised substantially. The company appears capable of maintaining the annual dividend of $1 a share in comfort although it has substantial amounts of comparatively short term bonds to meet in the next few years. The question of whether further increases can be made in the dividends either in the form of a regular or "extra" payments, depends to a large extent on maintenance of the present high level of crude oil prices in the United States.

Zimmerknit Co.

I hold common shares of Zimmerknit Co. and have been told that this company paid 31 cents a share in dividends last year but I did not receive anything. How is Zimmerknit Co. connected with York Knitting Mills Ltd. and how will my Zimmerknit common be affected by the merger of the two companies?

Zimmerknit Co. has never paid any dividends on its common stock. The 31 cents a share which you mentioned was not dividends paid in 1936 but represented the earnings per share on the common stock after the year's preferred dividend requirements. The company had arrears of preference dividends of $7 a share which were paid on Feb. 15, 1937.

Zimmerknit Co. is controlled by York Knitting Mills Ltd. At meetings held on June 23 shareholders of both companies adopted a plan for the consolidation of the various companies and their subsidiaries. As a result of this, the preferred stock and bonds of Zimmerknit Co. will be redeemed for cash. Holders of common shares in Zimmerknit will receive one share of no par value common stock of York Knitting Mills for each share of Zimmerknit common held at present. This exchange will probably take place early in August. A feature of the consolidation plan is that a $1 million bond issue of York Knitting Mills is being sold to provide funds for the redemption of the Zimmerknit preferred stock and bonds. We are informed that dividends will be more probable on the new York Knitting Mills common which you will receive for your Zimmerknit common. Giving effect to the new capitalization of the consolidated companies, earnings would have been 80 cents a share on the new common in 1936 and 57 cents a share in 1935. This compares with actual earnings of 31 cents a share on Zimmerknit common in 1936 and 2 cents a share in 1935. Aggregate sales of the consolidated companies increased 12.6% in the five months ended May 31, 1937, compared with the corresponding period of 1936.

Honey Dew

Can you give me an analysis of Honey Dew, Ltd.? I understand that this company has had deficits for several years and would like to know if any progress is being made toward earning a profit.

Honey Dew, Ltd., has made some progress in re-establishing its earning power. A net trading profit of $51,882 for the year ended Oct. 31, 1936, compares with $34,845 for the 10 months ended Oct. 31, 1935. After all charges, however, a net loss of $2,274 was reported for the 1936 year. It is understood that a profit of approximately $30,000 was shown for the seven months ended May 31, 1937, where operations for the corresponding period of 1936 only permitted the company to break even. The company has not paid any dividends on its preference shares since Dec. 31, 1931, and arrears were $33.25 a share at Oct. 31, 1936. An excess of current liabilities over current assets of $45,077 was also shown at that date.

The company has gradually changed the character of its business and today is more of a restaurant chain than a soft drink distributor. This has had the effect of lessening seasonal variation of sales. Two modern restaurants were opened last year in Toronto and leases negotiated on these sites have a much more satisfactory rental than prevails on many of the company's present stores. Most of the company's shops were originally leased in 1928 for 10 years at abnormally high rentals. It is hoped to be able to obtain new leases at more satisfactory levels next year.

McColl-Frontenac

Please let me have a report on McColl-Frontenac—both preferred and common.

Although McColl-Frontenac Oil Co.'s financial statement for last year showed a relatively sharp drop in income, dividend on the preferred stock was covered by a fair margin. However, it was necessary to reduce the dividend on the common from 80 cents to 40 cents a share, in order to bring the disbursement in line with current earning power. At the recent annual meeting, the president stated that sales this year showed a satisfactory increase, but no figures were given to indicate trend of earnings. The company recently invested a large sum of money in the Trinidad oil fields and while results are reported as encouraging, the field is not yet developed as a source of supply.

Shawinigan

Will you kindly give me a brief report on the current position of Shawinigan Water and Power Co.?

The Shawinigan Water and Power Co.'s operations continue to show satisfactory expansion and it is anticipated that the full returns for 1937 will set a new record for electricity output, while dollar revenue should be higher than it was in 1936. The interim report on earnings makes satisfactory reading and it is more than likely that the management will increase the annual dividend rate of 80 cents a share before the end of the year.

Great Lakes Power

I am thinking of buying 7% preference stock of Great Lakes Power Co. and would like a brief analysis of the company's earnings and the position of this stock.

Great Lakes Power Co. reported earnings in 1936 of $28.96 a share on its 7% preferred stock. This compares with $17.56 in 1935 and $7.62 in 1934. Net profits for the three months ended March 31, 1937, were $54,812 compared with $38,046 in the corresponding quarter of 1936. Regular dividend payments have been made on the stock since April 16, 1934 and all arrears of dividends were paid in 1935. The company's largest power customers are the Abitibi Power and Paper Co., Algoma Steel Corp. and the city of Sault Ste. Marie. Industrial activity in the district has shown great progress in the past two or three years and so long as the large industrial plants continue to operate actively the company's earnings should cover the preferred dividend by a good margin. The 7% preferred stock is quoted at $95 a share bid at present with no offering. The market is inactive. This stock is non-callable but ranking ahead of the preference stock the company has $4,250,000 of 4¼% first mortgage bonds and $2 millions of 5% general mortgage bonds.

Dosco

Being interested in Dominion Steel and Coal common class B stock, I would like very much your comments on the current position of the company.

Indications are that Dominion Steel and Coal Co. will be able to show earnings on its class B stock this year. During 1936 the company was able to report net income almost sufficient to cover interest on its funded debt. Operations this year are close to effective capacity and with advance in prices, prospects are that revenue will be appreciably higher than in the past 12 months. Net income will be affected, to some extent, by higher wages and increased cost of materials, but net profits should more than cover interest on the debentures, leaving something for the stock.

B. C. Power

Will you please let me have a brief comment on B.C. Power Corp., in which I hold some of the class A stock?

B. C. Power Corp. continues to record a steady improvement in its earnings. The territory in which the company operates, namely, Vancouver and other points on the coast, is showing considerable activity with the result that the demand for the company's services has widened. Income has increased to such a point that the dividend on the class A stock has now been advanced to $1.80 a share, as compared with $1.60 a share previously in effect.

National Breweries

I would appreciate receiving any information you may have on National Breweries. The stock appears rather inactive.

The market for National Breweries stock has been rather dull for some time past. Income is understood to be sufficient to cover the dividend of $2 a share. An unconfirmed report is that sales to date have been somewhat less than last year.

Dominion Bridge

Kindly let me have some information on Dominion Bridge and its current prospects.

Dominion Bridge Co. has a larger volume of business on its books than for some time past, though plant facilities are still being operated at less than capacity. Financially the company is in an excellent position to take advantage of any increased business offering and the prospects appear encouraging. There have been a number of large building projects undertaken this year and expectations are that the company's financial statement for 1937 will make better reading than the one for 1936, which showed net profits of 57 cents a share compared with the dividend rate of $1.20 a share.

Humberstone Shoe

Can you give any reason to account for the recent decline in price of Humberstone Shoe Co. stock?

Humberstone Shoe Co. common stock is now selling around $28 a share. This is the low point for 1937 and compares with a high of $32.75 a share. In each of the last two years Humberstone Shoe stock has fluctuated in a range of about $35 a share to a low of $28 a share, or a somewhat greater range than has been shown this year so far.

This company has reported stable profits for several years and last year earned $2.88 per share as compared with $2.80 in the year ended July 31, 1935. The dividend of $2 per share has been earned for each year since this rate was established in 1933. We are informed that for the first half of the present year the company's profits have been ample to cover the dividend. So far as we can learn increases in the price of leather and other materials have not had a harmful effect. Other than a general slump in stock market prices, there does not seem to be special reason for the lower price of Humberstone Shoe stock. At the present price of about $28 a share the yield is approximately 7%.

Montreal Power

I have been a little anxious about certain of my stocks since the recent slump and would like to have your opinion on Montreal Light, Heat and Power.

Montreal Power's interim report on sales indicates an increase over the corresponding period of last year. Gas sales, on the other hand, show a small decline. No information is available on investment income, but, it is understood, that there has been no material change. In each of the past two years the company has shown earnings of $1.75 a share compared with the dividend rate of $1.50 a share. Prospects are that the financial statement for 1937 will show much the same earnings as in 1936, when the dividend on the common stock was covered comfortably.

Gypsum, Lime Decision

"I have 100 shares of Gypsum, Lime & Alabastine, Canada, Ltd., stock which cost me over $13 a share.

"You know there is a row on between two factions and I am concerned about my stock.

"If you are in possession of all the facts perhaps you can give me a clear and good opinion on the future of the company with either faction in power.

"As I have a proxy to forward for the special meeting I am hoping you can clarify the situation for me.

"From what I can gather it appears to me the Cockshutt party are the better financiers and the Haire men are better trained gypsum men and better salesmen.

"The company is in better financial shape, its bonds selling at par or over, so I thought perhaps the trained gypsum men would be best for the immediate future."

You have apparently made your own analysis of the contentions of the present management and the Haire faction which is seeking to install itself in control of Gypsum, Lime & Alabastine Ltd.

The matter of management is one of vital concern for the shareholder in any company and it is therefore to be regarded as encouraging that Gypsum, Lime shareholders such as yourself are giving close attention to the current proxy campaigns.

There is little doubt that the present management has strengthened the finances of the company and brought it through a period when activity in the building industry on which the company depends to a large extent was at a low level. There is no definite means of knowing what R. E. Haire and his associates would have effected in the period. The present board, including directors of long standing, is unified in supporting the existing management. The Haire group therefore will have to make extensive changes in the board and possibly in the management to carry out whatever policies they have in mind, if returned at the shareholders' poll. There is no doubt that Mr. Haire has had experience in the business.

As to the question of the future benefits, if any, to be obtained by changing the present control, it must be settled by the shareholders themselves voting upon their own judgment of the contentions. The Financial Post cannot undertake to give judgment for the shareholder-owners of the business, but has given assistance in presenting impartially the arguments presented by the two groups so that shareholders may make their own decision.

C.S.L. Paying Bond Interest

Eastward Grain Movement Slow, But Other Traffic Good

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines inaugurated interim payment on July 2 on its new 5% first general mortgage bonds, series A.

In order to secure payment, holders of the old 6% bonds must exchange them in accordance with the letters of advice they have received, for the new 5% bonds, new preferred and new common stock.

In referring to results of operations for the year to date, the company states: "While shipments of grain from lake-head to Montreal and Quebec have fallen off substantially this season as compared with 1936, there has been an influx of African and Argentine corn moving to Buffalo, Chicago and other lake ports. This, while not compensating for the eastern movement, is definitely helpful to much better rates in the westbound movement.

"The movement of iron ore and coal is definitely better than in 1936, and the rates show some improvement. Package freight and passenger business are substantially ahead of last year, and the prospects for continuation of this are encouraging."

Canada Bread Co. Results Improve

Rising Costs Offset by Efficient Methods and Higher Volume

C. H. Carlisle, president of Canada Bread Co., states that net results of operations for the year ended June 30, 1937, showed improvement over the preceding year, notwithstanding constantly increasing costs.

In the year ended June 30, 1936, the company had net profits of $163,478. After first preferred dividends of $62,500, the balance of $100,978 was equivalent, after allowing for participating features on the class B preferred and common stock, to $2.87 a share on the class B preferred and 15 cents a share on the common. In the past year the company has paid dividends of $2.62½ a share on the class B preferred, leaving arrears of dividends on these shares of $2.50 a share.

In explaining the improvement in net results, Mr. Carlisle states:

"This was made possible only by increased volume of business, better and more efficient equipment, better distribution of products and rigid economy.

"In comparing the cost of our materials as at June 1, 1937, with those of June 1, 1936, we find the increase in the price of wheat is 62% which is equal to an increase of one cent in the cost of a loaf of bread. Ingredient costs increased 32%, delivery costs increased $112,000, wages increased $121,000; wages paid to the employees are over 12 times net earnings to shareholders. These increases are unusually high and are reflected in much higher costs.

"Being hopeful that the high costs are temporary we have not increased our selling prices relatively. Our average increase in selling price during the year was only 6%."

July's Dividend Payments $9.3 Millions Above 1936

Another increase in both dividend payments and bond interest due by Canadian companies will be seen from the tabulation prepared by The Financial Post for July, 1937, compared with July, 1936. This makes the eleventh consecutive month to show an increase in dividend payments over the corresponding month a year earlier.

The actual increase for the month is estimated at $9.3 millions, of which $7.8 millions is increased dividend payments and $1.5 million comes from higher bond interest payments.

Eleven companies are paying extra dividends in July this year. Of these the largest payments, in point of dollar amount, are extras of $1 a share paid by Consolidated Mining & Smelting Co., totalling $3.3 millions, $2 a share extra to be paid by Dome Mines, totalling $1.9 million and $275,000 involved in the five-cent extra of Wright-Hargreaves Mines.

Eight companies are making payments on account of accumulated arrears in July, while four companies, Halifax Fire, Maritime Telephone, Canadian Breweries and Manufacturers Life, have increased payments from the former rate. The companies paying on arrears are as follows: Canada Bread, Canadian Wirebound Boxes, Gould Pumps, Investment Foundation, North Star Oil, Sherwin-Williams, Standard Steel and Twin City Rapid Transit.

One company, Bruck Silk Mills, has passed the dividend which would ordinarily have been paid in July.

Summary of July Payments

	1937 $	1936 $
Dividends	31,212,047	23,408,231
Bond interest	52,211,693	50,727,953
Total	83,423,740	74,136,184

Dividend Payments

	Divd. Rate $	Payments Date	Amount $
Acadia Sugar, pfd.	.07½q	2	22,500
Acme Glove	.12½q	2	3,000
Do., pref.	1.62½q	2	11,177
Agnew-Surpass, pf.	1.75q	2	16,363
Alta. Wood Pres., pf.	1.75q	2	4,291
Amer. Cyanamid, A, B	.15	1	378,055
Assoc. Brew., pfd.	1.75q	1	15,999
Bank of Canada	1.12s	2	226,240
Bk. of N. Scotia	3q	2	360,000
Barker's Bread	.08m	2	1,760
Do., pref.	.62½q	2	5,312
Beatty Bros., 2nd pf.	3.50s	2	23,786
Belding-Cort.	1q	2	7,495
Do., pf.	1.75q	2	15,142
Bell Telephone	2q	15	1,571,418
Biltmore Hats, c.	†.25	15	20,000
Bralorne Mines	.10q	15	124,000
Do., extra	.10	15	124,000
Brantford-Cord., pf.	.32½	15	13,000
Brazilian Tr., ord.	.50	10	3,514,028
Do., pref.	1.50q	2	5,901
Brit. Amer. Oil	.25q	2	655,660
B. C. Telephone, 1st pf.	1.50q	2	15,000
B.C. Elec. Pr. & G., pf.	1.50q	2	75,000
B. C. Power	.45q	15	450,000
Brit. Mortgage	4s	2	40,000
Brockville Trust	.62½q	2	3,125
Building Prod., A, B	.35q	2	42,296
Burlington Steel	.20	2	28,000
Burt, F. N., c.	.50q	2	53,824
Do., pref.	1.75q	2	1,029
Canada Bread, 1st pf.	1.25q	2	15,626
Do., pfd. (B)	.62½q	2	15,625
Do., arrears	.12½	2	3,125
Canada Bud	.40	20	60,000
Canada Life	5q	2	50,000
Can. Nor. Power	.30q	26	120,000
Do., pref.	1.75q	15	96,250
Canada Packers	.75q	2	150,000
Can. Perm. Mtge.	2q	2	140,000
Can. Breweries, pf.	.50	15	81,714
Can. Canners, 1st pf.	25q	2	48,560
Do., 2nd pref.	.15	2	54,559
Can. Cottons	1q	2	27,155
Do., pref.	1.50q	2	54,922
Can. Dredge	$1s	31	94,775
Can. Fairbanks, pf.	1.50q	15	17,545
Can. For. Invest.	.40q	1	29,366
Do., extra	.40	1	29,366
Do., pref.	2q	1	22,000
Can. Fire Insur.	2s	2	40,000
Can. Gen. Elec., c.	1.50q	2	283,267
Can. Gen. Invest.	.12½q	15	75,073
Can. Industries, A, B	1.50q	31	1,024,500
Do., pref.	1.75q	15	81,375
Can. Light & Pr.	.50s	15	16,624
Canadian Oil, pf.	2q	1	40,000
Can. Wallpaper, A, B	1	6	129,246
Can. Westinghouse	.50q	1	273,000
Can. Wire. Box, A	*1.37½	2	75,823
Cariboo Gold	.02½q	2	33,332
Carnation, 1st pf.	1.25q	1	48,615
Celanese of Amer., c.	.75	1	750,000
Do., prior pfd.	1.75q	1	200,931
Central Can. Loan	2q	2	50,000
Chartered Trust	1q	2	10,000
Cons. Bakeries, ord.	.25q	2	79,610
Coniaurum Mines	.05	15	136,522
Consumers' Gas	2.50q	2	351,380
Cons. Smelters	.50	15	1,629,377
Do., extra	1	15	3,258,755
Cosmos Imperial, pf.	1.25q	15	6,250
Crown Life	3%q	1	6,888
Crown Trust	1.75q	1	17,500
Dom. Fire Insur.	35	2	9,000
Dome Mines	.50q	20	486,667
Do., extra	2	20	1,946,668
Dominion Coal, pf.	.38q	2	91,200
Dominion Bank	2.50q	2	175,000
Dom. Glass	1.25q	2	53,125
Do., pref.	1.75q	2	45,500
Dom. Textile	1.25q	2	337,500
Do., pref.	1.75q	15	33,980
Dom. Foundries, c.	†25c	15	30,500
Dom. Tar & Chem., pf.	1.37½c	31	69,231
East. Can. Savings	$1.50q	1	11,250
Eastern Trust	$2q	1	20,000
Eastern Steel, pf.	1.75q	1	6,146
East. Theatres, pf.	3.50s	31	17,500
Ensign Insur.	1.50s	2	9,000
Excelsior Life	1.20s	2	6,000
Fanny Farmer	.25	1	97,617
Fernie Brew., A, c.	.60	2	1,965
General Trust, pf.	1.50q	2	16,500
Guar. of N. Amer.	1.50+2.50	15	24,368
Guelph & Ont. Inv.	1.50s	2	28,952
Guelph Trust	1.25s	2	7,525
Goderich Elev.	.35s	2	21,001
Goodyear Tire	.63q	2	163,360
Do., pref.	.62½q	2	75,000
Gould Pumps, pf.	*2	15	14,950
Gt. Lakes Pwr., pf.	1.75q	15	13,125
Gt. West Life	5q	2	50,000
Grey & Bruce Trust	2%s	2	10,894
Halifax Fire	.50s	2	100,000
Ham. Cotton pf.	.50q	1	9,506
Harding Carpets	.10	2	17,000
Highland Dairy, pf.	1.75q	2	3,696
Hinde & Dauch	.25q	2	74,983
Hollinger Cons.	.05	15	246,000
Huron & E. Mtge.	1.25q	2	62,500
Inter City Baking	1	31	31,145
Imperial Life	3.75q	1	37,500
Intercol. Coal	3	2	30,000
Do., pref.	4s	2	8,060
Inter. Milling, pfd.	1.25q	15	25,000
Inter. Power 1st pf.	1.50q	2	150,000
Interstate Rlty. A	.38q	1	20,175
Indust. Mortgage	1.25s	2	15,875
Invest. Found. pfd.	.50q	15	14,886
Do., arrears	.25	15	7,443
Jam. Pub. Ser.	.43¾q	2	19,687
Do., pref.	1.75q	2	15,777
Lambton Loan	1s	2	15,785
Landed Bkg.	1.25q	2	12,500
Lang, J. A. c.	.17½q	2	17,500
Macassa Mine	.05	2	133,903
Manufacturers Life	6s	2	90,000
Maritime Tel.	.20q	2	72,044
Do., pref.	.17½q	2	26,250
Melchers (A) old	.30	2	60,000
McColl-Fron., pf.	1.50q	15	116,511
Midland Loan	4s	2	14,400
Mitchell, J. S., pf.	1.75q	2	4,866
Monarch Knit. pf.	1.75q	2	13,125
Mtl. C. & D. Bk.	3q	2	60,000
Do., bonus	1	2	20,000
Mtl. L. H. & Pr.	.38q	31	1,705,821
Mtl. Telegraph	.80q	15	40,000
Mtl. Tramways	2.25q	5	157,500
Moore Corp.	.40q	2	136,175
Do., pref. A & B	1.75q	2	79,180
National Brew.	.50q	2	340,686
Do., pref.	.44q	2	48,840
Nat. Grocers, pf.	1.75q	1	51,681
National Trust	2q	2	60,000
Niag. W. Weav. c.	.50q	2	59,000
North Star Oil, pf.	*.08¾	2	17,500
N. S. L. & Pr., ord.	1.25q	2	43,153
Ogilvie Flour, c.	2q	2	150,000
Ont. Loan & Deb.	1.25q	2	50,000
Ottawa L. & P.	1.50q	1	52,500
Do., pref.	1.25q	1	21,250
Ottawa Traction	.50q	2	28,036
Page Hersey	1	1	174,276
Perfection Pete pf.	.37½q	1	3,465
Pioneer Gold	.10q	2	175,175
Porto Rico Pwr. pf.	1.75q	2	17,500
Power Corp. c.	.25	26	111,566
Power Corp. pfd.	1.50q	15	75,000
Do., 2nd pfd.	.75q	15	75,000
Premier Gold	.03q	15	150,000
Do., extra	.01	15	50,000
Presed Metals	.50	1	62,144
Pwr. Paper, pfd.	1.75q	2	61,250
Real Est. Loan	1s	1	5,000
Remington-Rand	.25	1	346,599
Reno Gold	.03q	2	56,400
Riverside Silk A	.50q	2	15,000
Securities Hold. pf.	.60s	2	11,044
Sheep Creek G.	.02q	15	37,500
Do., extra	.01	15	18,750
Sher.-Williams pf.	*1.75	2	60,550
Smith, H. Pap. pfd.	1.50q	15	93,736
South. Can. Pr. pf.	1.50q	15	106,333
Stand. Fuel pf.	1.62½q	1	19,361
Stand. Silver	1c	20	20,000
Sterling Trusts	1s	2	7,900
Stand. Steel A pf.	.75q	1	7,342
Do., arrears	.75	1	7,342
Sun Life	3.75q	1	75,000
Sunshine Mining	.75	15	1,116,616
Supersilk Hos. pf.	‡2.50	2	12,302
Supertest Pete. c. & ord.	.50s	2	55,000
Do., extra	.25s	2	27,500
Do., pref. (B)	.75s	2	6,000
Tamblyn	.20q	2	22,400
Do., pref.	.62½q	2	3,750
Teck Hughes	.10q	2	480,710
Tip Top Tailors	.15	2	18,000
Do., pref.	1.75q	2	20,917
Tor. Gen. Trusts	1q	2	30,000
Toronto Mortgage	1.50q	2	29,595
Tuckett Tob. pf.	1.75q	15	35,000
Trusts & Guar.	1s	2	25,482
Twin City, pfd.	*7	15	210,000
United Secs.	.50q	15	25,630
Ventures, new	†.12½	5	106,743
Viau, Ltd., pfd.	1.25q	2	11,625
Wabasso Cotton	.25q	2	17,475
Do., extra	.15	2	10,485
Waterloo Trust	2.50s	2	25,000
West. Assurance, pf.	1.20s	2	18,000
West. Koot. Pr. pf.	1.75q	2	8,750
West. Grocers	.75q	15	12,706
Do., pref.	1.75q	15	20,899
Weston, Geo., c.	.20q	2	80,176
Wr. Hargreaves	.10q	1	550,000
Do., extra	.05	1	275,000
Total			31,212,047

m—Monthly. q—Quarterly.
s—Semi-annually. *Arrears.
†Initial. ‡Interim.

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Suggestions for July Investment

OUR July booklet contains an article summarizing the City of Windsor financial re-adjustment. There is also included an attractive selection of Dominion, Provincial, Municipal and Corporation securities.

We shall be glad to send you a copy on request.

Kindly write or telephone WAverley 3681

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TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

"QUARTERLY QUOTATIONS"

. . . is the title of a leaflet which we publish every three months. The July issue is now ready for distribution. In it are listed approximately 400 bond issues of interest to Canadian investors.

Copy forwarded upon request.

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What is the object of Government control?

The best method of determining the merit of any system of government control of the sale of brewed malt beverages is to apply this simple test.

If the system aims at *coercion*, at making people "good" against their will, it is not only undemocratic but, experience has shown, it will fail.

If the system aims at *education*, at making it easier for people to learn self-control, it is on the right track.

Any insistence that the consumption of these wholesome, mildly stimulating beverages should only take place in private behind shut doors, cannot give people the opportunity to learn to use them sanely, decently, and to their own advantage.

When, on the other hand, they are available in public places, under proper control of course, education begins, for then *public opinion* discourages excess.

Unfortunately it takes time to repair the ravages of prohibition. A whole generation were deprived of the opportunity of learning moderation. So there are still abuses, which government control corrects.

A careful study convinces us that a sound public opinion is growing in favour of reasonable and temperate enjoyment. The present system in fact is proving successful.

In the meanwhile prohibition extremists use the behaviour of the victims of their own legislation as an argument for repeating their fatal mistake.

● *This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.*

Summer Hotel Life Unique in Muskoka

Spacious Buildings, Golf, Boat Cruises, Riding and Tennis Added to Scenic Attractions of Ontario's Summer Playground

Dotted with lakes and traversed by a network of roads through forest country, Ontario's summer playground of Muskoka stretches over 1,000 square miles. It can be reached within a matter of a few hours from almost every large centre of population in eastern Canada.

Apart from its natural vacation attractions, Muskoka is famous chiefly for its hotels which, long before the war, were patronized by visitors from all parts of the United States and Europe. In recent years more and more Canadians have turned to the region as the holiday district that meets every choice in summer recreation.

Week-end trips from Toronto are frequently made by airplane in a matter of half an hour or more, and fishing, golf courses, yachting and swimming are available in almost every section of the lakes.

Ten golf courses are located at various hotel properties, including Bala, Port Carling, the Royal Muskoka, Windermere House, Beaumaris, the Elgin House, Muskoka Beach and Rosseau.

For water enthusiasts, the "100-mile cruise" or the "60-mile cruise" aboard one of the large lake boats is another source of pleasure, through island studded lakes 1,000 miles above sea level.

Fishing is typical of the variety of sport obtainable in all parts of the district which is stocked with bass, pickerel, lake trout and other game fish. The license required by non-residents of Ontario can be obtained at a nominal fee. The water of the area has a slight iron content as well as other tonic qualities and it is rigidly Government tested for drinking purposes.

100 Miles From Toronto

A journey of 100 miles from Toronto, Muskoka is rapidly developing into one of the few vacation areas regularly served by airplane facilities. Lakes afford ideal landing places for 'planes from Toronto, Ottawa or other eastern Canadian cities. This time-saving element opens the Muskoka district to businessmen and others with a limited time at their disposal.

The Elgin House, on Lake Joseph, is one of the well-known summer resorts of the district. A group of spacious buildings includes the steam-heated North Lodge for early and late season visitors. A traditional feature of the Elgin House is its chapel and by long established preference of its guests the hotel life is gauged to a quiet tempo on Sunday. Games are not played and interdenominational services are held in the open air, with chapel services also available. Golf is the favorite Elgin House sport and the course is one of the best in Muskoka.

Royal Muskoka

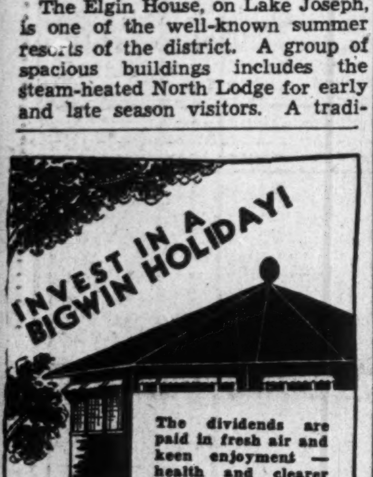
Famous all over Canada and the United States is the Royal Muskoka. Plastered and timbered walls, huge log fireplaces, galleries and French windows are features of the architecture but the keynote of this hotel is complete freedom from formality. Guests dress as they please; there is the cocktail hour before dinner, and dancing is provided in the evening. Sports within the range of Royal Muskoka guests include speed boating, riding over miles of wooded trails, golf and tennis.

Windermere House

Windermere House, with an 18-hole golf course, 140 miles north of Toronto, is another up-to-the-minute Muskoka resort with sports of all kinds, hairdresser for women guests, craft shop that produces weaving specialties to guests' orders, lending library and a coffee bar. Saddle horses at Windermere House are among the finest and best trained in Muskoka. Rates and incidentals are reasonably priced.

Four and a half miles from Bracebridge, Bangor Lodge is designed for outdoor sports or indoor leisure amid lodge-like surroundings. The lodge also maintains sleeping bungalows for those who prefer separate living quarters. Fishing usually means a string of bass in the waters off Bangor Lodge and the hotel's chef takes over the task of preparing the catch.

Cleveland House, on Lake Rosseau, has led the way keeping up with the changing times and changing demands of its tourists. Among the old originals of the Muskoka summer hotels it has been expanded and modernized year by year. Today its attractions include an 18-hole golf course, tennis courts and a dancing pavilion in addition to the bathing and boating facilities common to the Muskoka Lakes district. The hotel is equipped throughout with electricity, hot and cold running water and private baths. The large lobbies and lounges contain five large open fire places for use on cool evenings.



INVEST IN A BIGWIN HOLIDAY!

The dividends are paid in fresh air and keen enjoyment — health and clearer judgment. Telephone the Toronto office for an early reservation, WA 6676, or call at 83 Yonge St. for full particulars; or write

BIGWIN INN
LAKE OF BAYS ONTARIO

Sea cruise holidays
9 Days
MONTREAL -NEW YORK and Return
$70 up
DUCHESS of ATHOLL
From MONTREAL
July 17, 27—August 6, 16

Enjoy cool days, romantic nights at sea on a famous 30,000-ton trans-Atlantic liner. A day and an evening in New York, the ship your hotel. Then the homeward voyage and a day in Quebec. Spacious decks, airy lounges, comfortable staterooms, deck sports, entertainment, dancing, gymnasium, swimming pool. Low cost. No passports.

For further information apply your local travel agent or nearest Canadian Pacific Agent.

Canadian Pacific

To The
Travelling Public:

HOTEL LONDON

London, Ontario
Rates for Rooms as Follows:—

Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.[illegible]; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.

Soliciting your appreciated patronage,
H. F. STRUCKETT,
Manager.

Power Output Higher in May

Increase Over Last Year Registered in Canada

From Our Own Correspondent

MONTREAL.—Canadian central electric stations produced 2,301 million kw.h. of electrical energy during May. This contrasts with 2,323 million kw.h. in April and 2,083 million kw.h. in May, last year, according to records compiled by the Dominion Bureau of Statistics.

Compared with May last year, all five economic areas registered gains in production. Such also was the case in regard to cumulative figures for the five months ended in May.

Detailed figures of production are as follows:

May Production
(Thousands of kilowatt hours)

	1937	1936
Maritimes	76,630	72,600
Quebec	1,165,041	1,050,451
Ontario	744,355	672,693
Prairies	164,296	146,931
British Columbia	150,845	140,588

Five Months Ended May
(Thousands of kilowatt hours)

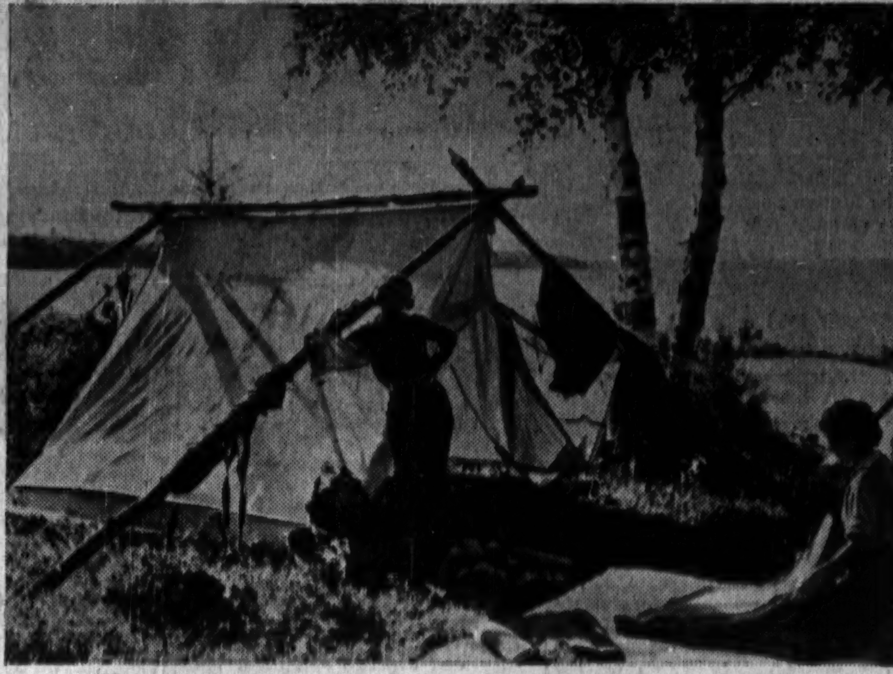
	1937	1936
Maritimes	387,891	316,159
Quebec	5,933,592	5,323,203
Ontario	3,660,424	3,294,799
Prairies	871,224	821,093
British Columbia	647,663	657,852

Consumption of firm power, including line losses, increased from 1,510 million kw.h. in April to 1,519 million kw.h. in May. This increase is largely accounted for by the fact that there was an extra day in May, though there were five Sundays in the month as compared with four in April.

The record of consumption follows:

May Consumption
(Thousands of kilowatt hours)

	1937	1936
Maritimes	75,671	71,662
Quebec	990,233	904,761
Ontario	759,163	688,923
Prairies	165,698	148,248
British Columbia	149,373	139,239



Stock Company At Bigwin Inn

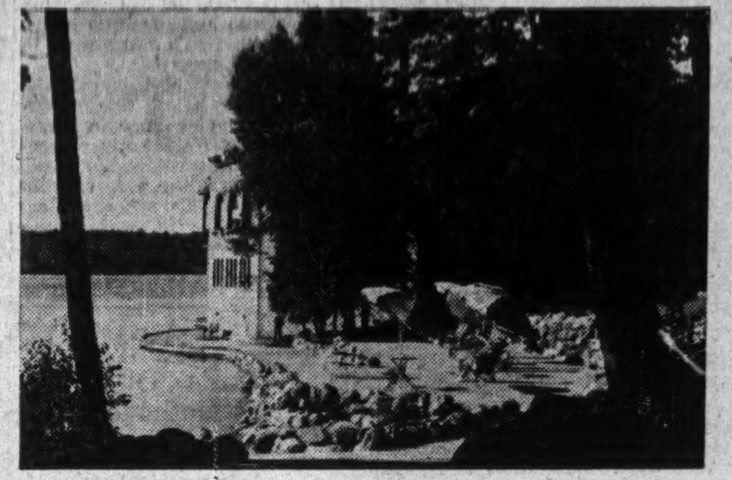
Series of Plays Among Attractions at Lake of Bays Resort

A stock company of entertainers has been engaged for the season at Bigwin Inn, chief summer resort of the Lake of Bays district.

Bigwin is 142 miles north of Toronto by highway but can also be reached by fast rail and boat service. It is as far removed from the old style summer hotel as the airplane is from the oxcart.

Eighteen-hole golf course awaits the visitor to Bigwin and tennis, bowls, croquet, quoits, deck tennis offer further diversions. Over 200 of the hotel rooms have private baths. On chilly evenings late in the year guests hob-nob around eight huge stone fireplaces in the great lounge.

Seven days' lake cruise with another seven days at Bigwin Inn costs only $122.50. The hotel operates on the American plan and prides itself on its restricted clientèle which each year includes notables from the United States and Canada.



BY ROAD OR RAIL

Within easy travelling distance of its large centres the Province of Ontario boasts a variety of summer playground areas to meet the wishes of all classes of its tourist population. A stretch of the famous Ferguson highway near Schreiber, Ont., is shown above (top left) and at the right a typical lake shore camping ground. The fisherman below is in danger of losing the "musky" if he does not watch the bottom of his landing net. Bottom right—A scene at a Lake of Bays summer resort.

Traveller Charters a Train And Gets Bill For 50 Cents

Everyone who goes to Muskoka knows "The Portage"—that stretch of a mile or more between Lake of Bays and Peninsular Lake.

They know it as the site of the world's shortest railway, complete with narrow gauge track, top-heavy smokestacks on the two ancient and inimitable locomotives, and the congenial train crew who swap yarns as easily as they toss the cordwood into the firebox.

But few of the visitors to Deerhurst, Britannia or the other lake ports of the region have had the experience of an employee of the municipal hydro system in Toronto. Paddling in a canoe from the north side of Peninsular Lake he arrived at The Portage, asked for transportation to Lake of Bays and learned that no train was due to leave until passengers from the Algonquin arrived.

It meant a four hours wait for the lake steamer. Recklessly, the Torontonian asked whether he could charter a train for his canoe and himself.

To his amazement, the answer was "yes" and a few minutes later the crew had steam up, a flatcar coupled, and the canoe aboard.

Making rapid calculations of the holiday budget the Toronto man spent an uneasy few minutes crossing to Lake of Bays. Thoughts of legally established freight rates and passenger tariffs spoiled the stories that would otherwise have made the journey something to remember.

Then, with canoe unloaded, the engineer turned to his passenger.

"That'll be 50 cents," he said.

The hydro man boasts about it but invariably adds that railway fares—for chartered trains or otherwise—have since advanced.

New Road Aids North Traffic

Parallel Toronto-Barrie Route Will Relieve Congestion

Auto travellers from Toronto to the Muskoka Lakes and Lake of Bays districts are already reaping the benefit of a new highways project launched by the Ontario Government less than two years ago.

In an effort to relieve the congestion of peak traffic on No. 11 highway from Toronto to Barrie a new parallel route has been laid out, graded and surfaced with gravel. The new highway (No. 27) breaks from No. 11 at Allendale and strikes south on as near to a straight line as physical conditions permit. It has been designed for a three-lane road with no bottlenecks to slow up traffic. Paving has been started at the north end and will be completed on a seven-mile stretch this year.

When finally completed the new road will connect with the Hamilton-Toronto-Lakeshore road at Long Branch. At present travellers from Toronto can reach the new highway by going through Weston to Woodbridge or by turning from Yonge Street (No. 11) at Thornhill and going west on No. 7 highway to the same point.

Bowaters Takes Option On Newfoundland Site

From Our Own Correspondent

MONTREAL.—An option agreement for acquisition of the Reid Newfoundland Co.'s timber limits in Newfoundland, has been signed between the receiver and Bowaters Paper Mills Ltd., acting on behalf of itself and Edward Lloyd Ltd.

For some time past, Bowaters has been looking for timber limits in order to protect itself against the rapid advance in the price of pulp, which it imports for use in British newsprint mills.

In addition to the Reid property Bowaters has taken an option on a large area of timberland in Labrador. In the event these options are exercised, it is understood that the company will go ahead with the construction of a pulp mill.

A CURE FOR HEAT WAVES

One hundred odd miles from Toronto, Ont., the Muskoka Lakes district opens a new world to the city dweller. Good highways or fast rail and boat service bring the dust-covered traveller into a land of pines, rock and water within a few hours. The scene above taken at a Lake Rosseau summer resort is one of thousands of beauty spots to be found on this chain of three island-studded lakes.

Rail Earnings Gain Further

C. N. R. Reports Sharp Rise in Net Revenue

From Our Own Correspondent

MONTREAL.—Combined operating revenue totals of the Canadian Pacific and the Canadian National Railways for the first five months of the year show an increase of slightly more than 10%. The joint figure was $134.2 millions, an increase of $12.4 millions over the corresponding period of 1936. Of this increase the C. N. R. contributed $8.2 millions and the C. P. R. the balance.

Net revenue shows an even greater percentage increase, the combined total of the two systems for the five months being $13.2 millions, an increase of $5.2 millions or 64%. Net revenue of the C. N. R. for the period increased by 152% and of the C. P. R. by 25.8%.

Operating expenses of the C. P. R. for the five-month period increased 6.2% There was an increase of 6.6% in the operating expenses of the C. N. R.

For the month of May the C. N. R. reports a much larger increase in net revenue than the C. P. R. Net revenue of the C. N. R. for the period amounted to $1.6 million, an increase of $732,699 or 78.2%. This compares with a net revenue of $1.5 million for the C. P. R which is an increase of $123,930 or 8.5%.

Tourist Trek May Hit Peak

Estimate of Spendings in Canada, $325 Millions for 1937

Tourists visiting Canada this year will spend at least $325 millions in comparison with $255 millions in 1936, travel authorities estimate. The 1936 total was $50 millions above 1935 expenditures, but a heavy volume of enquiries foreshadowed an active Canadian tourist season and arrivals later confirmed estimates of the largely increased flow of tourist traffic across the Canadian border from the United States.

Exceeds 1929 Total

This sum would set a new peak, topping the 1929 record of $309 millions.

Good roads are playing a major part in attracting the larger volume of tourist traffic. For the past few years, Ontario, Quebec, New Brunswick and Nova Scotia have appropriated large sums of money for road improvement, and are continuing the same policy this year. British Columbia has also a large road construction programme under way, principally for the purpose of encouraging tourists to visit that province.

Believes World Should Aim At Increasing Consumption

The "transitional dislocation" of the international set-up of production and commerce resulting from the drive of many countries for greater self-sufficiency was given special attention in the annual report of Harold Butler, director of the International Labor Office, at the yearly conference of that body in Geneva recently.

The movement has taken two directions, the Butler report says—development of agriculture by industrial countries and of industries by agricultural countries. The drive is partly responsible, in Mr. Butler's opinion, for the current advance of world production far beyond a volume of world trade lagging behind the 1929 level.

The report particularly notes industrial development and launching of industrial programmes in such countries as Japan, Russia, Brazil, Argentina, India, Irish Free State, Mexico, Turkey and Jugoslavia. Mr. Butler adds:

"Reactions of the geographical extension of industry may be clearly seen in the decline in the export of manufactures of older industrial countries. But the spread of manufacture means the expansion of wealth, and is therefore in the long run likely to promote rather than to reduce the total amount of international commerce. The rising exports of Japan are balanced by rising imports."

Mr. Butler finds that attempts to get greater agricultural self-sufficiency in countries such as Great Britain, France, Italy and Germany have been accompanied by protection of domestic producers against imports from "the great oversea agricultural countries," causing dislocation in the primary industries of these countries.

He continues:

"The permanent solution of the agricultural problem lies, not in restricted production, but in raising standards of consumption to the necessary levels. When that can be accomplished, the increased production of Europe will no longer appear superfluous and the great food-producing countries of America and Australia will find an outlet for all they can raise."

"At the Water's Edge"
IN THE HEART OF
MUSKOKA LAKES
On BEAUTIFUL LAKE ROSSEAU
CLEVELANDS HOUSE
Season June 1 to Oct. 1 AND ANNEX

Invites You
To Spend an Enjoyable Summer Vacation

If You Enjoy a Round of Gaiety There are
SWIMMING — BOATING — GOLFING — TENNIS
DANCING — LAWN BOWLS — BRIDGE — RIDING

If you prefer a quiet, restful holiday there are picturesque walks through pine scented woods, a safe bathing beach for inexperienced swimmers, the comfortable easy chairs on the spacious verandahs and grounds overlooking the lake, offering relaxation that is so beneficial.

The very best of Home Cooking is served and the meal menus are varied and appetizing.

GOOD MOTOR ROADS ALL THE WAY
Further information gladly furnished:
S. A. MINETT AND SON
Telephone 3-33, Port Carling
MINETT P.O. MUSKOKA ONTARIO

Royal Muskoka

GOLF . . on our sporty nine-hole watered course overlooking beautiful Lake Rosseau!

SWIM . . and dive and join the merry throng in doing all sorts of grand stunts that tune you up and keep you full of pep and make you laugh at your own funny antics!

OR IN . . between, take a whirl at deck-tennis, ping-pong, or the more sedate croquet!

SCUD . . along over foam-flecked waters in a speed boat or dinghy, taking a picnic lunch along to devour in some lovely little cove on a pine-clad island, making coffee over the open fire!

DANCE . each evening to LOREN CASSINA and his music—dreamy, romantic, illusive tunes that float out on the Summer night and keep feet gliding to their perfect rhythm!

LIVE — LAUGH — REST AND PLAY AT THE ROYAL MUSKOKA!

For reservations write, wire or phone the Manager, Room F, The Royal Muskoka, Lake Rosseau, Ontario, or communicate with City Information Office, 68 King St. West, Toronto, Elgin 2257.

BY MOTOR DIRECT TO HOTEL

North on Provincial Highway No. 11 to Gravenhurst 105 miles, then via Bala or Port Carling 40 miles direct to the Hotel, or, to Windermere, 30 miles north of Gravenhurst, where you take the ferry on the hour to the hotel. Distance, 1½ miles. 1937 opening date June 26.

ACCOMMODATION:

170 outside rooms, all with hot and cold running water. 65 with private bath. Large tower bedrooms, spacious suites, furnished cottages.
Rates: American Plan—Weekly—Rooms with running water, Single $31.50 to $35.00; Double $29.75 to $31.50 each; Rooms with bath, Single $42.00 to $49.00; Double $35.00 to 52.50 each. Tower Rooms and Suites with bath, Double $56.00 each.
Daily rates—$4.50 to $9.00, according to room occupied and single or double. Children under ten years of age, half rate, where child occupies cot in room with parent or nurse.
Furnished Cottages with maid service and meals in Hotel by month or season.

Spend Your Vacation at ELGIN HOUSE
in Beautiful MUSKOKA Canada
135 Miles from Toronto

Unsurpassed facilities for vacation enjoyment, Golf, Tennis, Lawn Bowling, Bathing, Canoeing, Launch and Steamer Trips, etc. House steam heated, also open fireplaces. Cottages adjoining to let furnished. Garage accommodation. Good motor roads. June 26th to Oct. 1st. Booklet, Rates and Map on request.

ELGIN HOUSE LIMITED
Lake Joseph, Muskoka, Ont.

150 rooms with hot and cold water. 75 with private bath. 75 with steam heat, and private balconies.

For a Perfect Vacation

Come to
Algonquin Park

With its Myriad of Lakes and Streams abounding with wild game and fish.

Highland Inn
ALGONQUIN PARK
CANADA

HIGHLAND INN—Famous for its hospitality and comfort—has been completely remodelled and is ready to welcome you to the most perfect holiday you've ever experienced. High up in the heart of this magnificent Ontario Park, there is plenty of scope for canoeing—bathing—fishing—riding and tennis.

HIGHLAND INN is very accessible, being served by Canadian National Railways and Provincial highway (Huntsville to Ottawa) passes to the rear of the property.

Here you will find all the conveniences of city life in perfect vacation setting—Excellent Meals—Rooms with Hot and Cold Running Water—Suites—Baths—Steam Heat. Rates moderate.

Highland Inn Caters to a Gentile Clientele

Write for Illustrated Folder

Summer and Winter Sports

Canada's Crown Jewel
JASPER PARK
in the Rockies.

A delightful trip in the air-conditioned comfort of the Continental Limited . . . into the scenic splendor of the Canadian Rockies . . . and lo! you are in Jasper, America's largest national park. With golf, tennis, riding, swimming, fishing, hiking . . . and the delightful, informal hospitality of Jasper Park Lodge . . . Jasper is an ideal stop over en route to the Pacific Coast. Rates at Jasper Park Lodge, from $7.00 a day, including meals.

CANADIAN NATIONAL RAILWAYS

Delicious Table d'hôte meals moderately priced in Dining Cars
Breakfast 50c, 65c, 85c, $1.00
Luncheon 75c., 90c., $1.00
Dinner $1.00, $1.25, $1.50
Reduced à la carte prices.

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LONGER LIMIT

Your local agent will gladly furnish you with full information as to fares, limits, etc.

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Scramble for Canada's Air Control

Many Groups Competing for Inter-City Air Rights Centring on Toronto Which May Prove Most Profitable Lines in Dominion

WITH financial and operating control of the Trans-Canada Airways system virtually retained by the Government, the scramble of aviation interests for a foothold in Canada's future air transport development is now concentrated on the potentially rich field of inter-city and international operations.

Competitive interest is keen in the entire field left clear by allotment of Trans-Canada control to the Canadian National Railways, and rivalry is manifest for operating rights for prospective services between Canadian urban centres, across the United States border, and to connect with American lines. While the spotlight is shared by projected routes in the west, such as between Saskatoon and Regina, and in the Maritimes, the chief focus is upon the central Canada region centring on Toronto.

Concentration of population and commerce in the Quebec-Ontario area and its proximity to highly developed sections of the United States, give it possibilities of incalculable value as an air service territory. Aviation and financial groups in both Canada and the United States are already jockeying actively for access to the field, despite an atmosphere of confusion and suspense dominating the situation.

Factors in Situation

This suspense springs mainly from two sources:

1. There is no airport development at Toronto, which promises to be the hub of the prospective air transport development in question, and considerable controversy is raging there as to the location and type of the airport facilities to be created.

2. The Minister of Transport is deferring, probably until next year, any decision as to policy in regard to the interurban and international field, and there is at least a theoretical possibility that the Government will retain control of all or part of this field as well as of the Trans-Canada system.

Several factors are cited by the Minister in support of his stand. For one thing, the Toronto airport development could not be completed before next summer, even if it is launched immediately. Primarily, however, the Minister appears determined to get the Trans-Canada system established on an operating basis before opening the interurban routes for development—particularly interurban lines which might hinder successful inauguration of Trans-Canada service and draw transcontinental traffic southward to American lines.

These and other factors have turned an interest that is far from entirely local upon a barren blob of land at the northwestern tip of the islands enclosing Toronto's harbor.

Still more absolute control is exercised by the Transport Minister himself, under a regulation passed only last year which declares flatly: "No commercial aircraft shall be operated on any international or interurban scheduled air transport service unless the said service has been licensed by the Minister of Transport." There are also strict regulations as to registration of all aircraft, special registration of commercial aircraft, and ownership by British subjects or British companies of Canadian registered aircraft.

Up to the Minister

It is thus upon the minister that the brunt falls of all the manoeuvring and intensive pressure by some of the groups desirous of getting route permits, and by him that final allotment must be made. Complex factors are thrusting themselves upon his consideration before a decision can be reached. Some of the factors have a bearing on the controversy over the Toronto airport problem.

One factor is the question of national and Imperial defense. There is persistent belief in some quarters that development of the Trans-Canada system and of adequate aviation facilities at strategic centres has a military as well as a civil significance, and that control of air routes, as well as fostering creation of proper air bases and guide facilities, is partly prompted by defense considerations.

Some observers conjecture that the official approval by Ottawa of the Toronto Island airport site was granted, despite its admitted limitations as to landing space, because an adequate combination air harbor and landing field was desired for use by cross country or even trans-ocean defense 'planes. There is also hope that flying boats in the transatlantic service may eventually land at Toronto in the summer.

Defense Aspect

Mr. Howe insists that defense is not a consideration in development of Canada's commercial air routes, and that the squabble over the desirability of Toronto Island as an airport site is entirely a local controversy. His department's interest, he explains, is that any airport shall conform to certain requirements and that if the island is chosen as a site an auxiliary airport shall be provided as well.

He regards as out of the question the possibility that flying boats in the transatlantic commercial service will pay regular calls at Toronto. One or more of the boats will visit Toronto and Windsor for demonstration purposes in the course of the experimental trans-ocean flights started this week. But there is no plan, Mr. Howe emphasizes, to have the boats provide "a taxi service across Canada" after traversing the Atlantic.

A combination airport at Toronto will be valuable, however, as a base where pontoon planes operating in northern Ontario and elsewhere can make changeovers to skis or wheels. At present such 'planes have to be flown to Montreal or Fort Erie for changeovers. Already a scheduled seaplane service to northern Ontario points is being operated from Toronto, using the temporary air harbor on the mainland waterfront, by Northern Flights Ltd., auxiliary of Skylines Express. The parent unit operates from Winnipeg and Montreal into northern Manitoba, Ontario and Quebec.

Another explanation advanced for the delay in allotting permits for the commercial routes in central Canada and into adjoining United States territory is that officialdom wants to ensure against aviation development in this field becoming too closely identified with American interests.

American Interest

That American groups are keenly interested if not actively bidding for operating rights in this field is generally accepted in Canadian aviation circles. The Americans seek entry into the closely settled regions of Canada not only for the traffic volume available within Canada, but to tie in this traffic with American transcontinental lines and with routes to such points as New York, Detroit and Chicago. But there are Canadian aviation groups equally anxious and ready to dominate this field and determined that Canadian air services shall be kept as far as possible in Canadian hands.

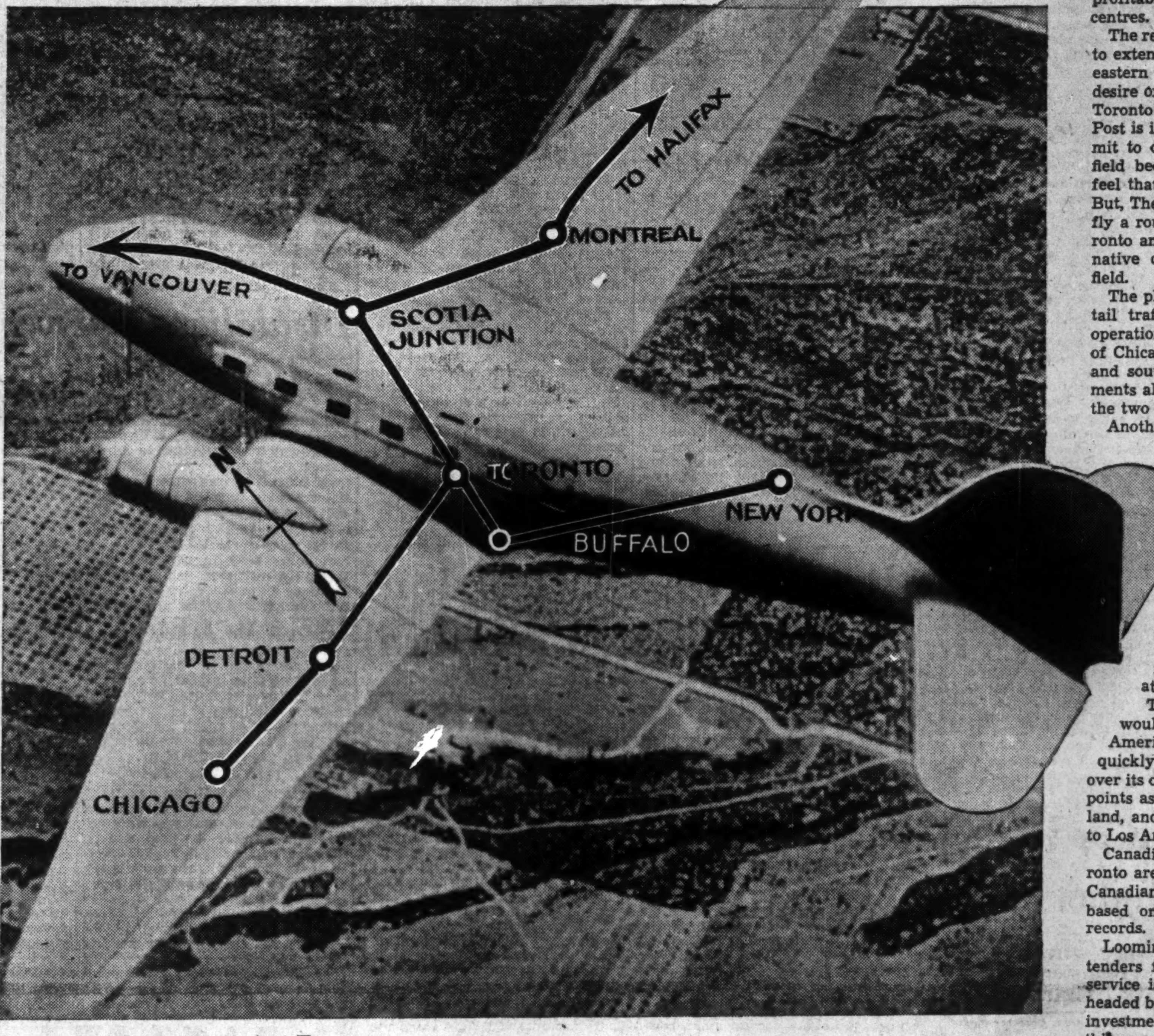
Toronto is the strategic point in the range of contemplated future services, for it is the potential hub of considerable air traffic in three directions — north to connect with the Trans-Canada route at Scotia Junction, northeast to Ottawa and Montreal, and south and southwest to New York, Detroit, Chicago, and other U.S. cities. It is also an obvious main stop-over on routes which eventually may be developed between Montreal, Detroit and Chicago; between Ottawa and Washington (capital to capital); and between Montreal and the Canadian and U.S. west coasts for those preferring to travel west over established U.S. lines, or having business in mid-west American cities on the way.

Official opinion in Ottawa is that the chief routes out of Toronto will be Toronto-Scotia, Toronto - Ottawa - Montreal, and Toronto - Windsor to connect with United States air lines at Detroit.

Among some Torontonians, there is held a tenacious hope that Toronto may eventually be on the main line of the Trans-Canada route. This is generally regarded as unlikely, however, in view of the fact that it is only 280 miles from Montreal to Scotia Junction direct, but 435 miles if the trip were made through Toronto. The 110 miles distance from Toronto to Scotia is just enough to make it impractical to dip the Trans-Canada line through the Ontario capital — even if Toronto had an airport.

May Divert Traffic

At the same time, the Toronto-Scotia link may tend to divert Toronto-originating transcontinental traffic southward over American lines, and to withhold from the Trans-Canada system both this traffic and traffic it might handle between Montreal and the mid-west states.



Important Sector for Air Transport

The status of Toronto as the hub of an air transport area of high potential importance is graphically depicted by the above diagram. Especially notable are the possibilities of direct line traffic between Toronto and the Windsor-Detroit area, referred to in public observations this week by Hon. C. D. Howe, Minister of Transport. The diagram brings out the strategic importance of Toronto as an air traffic point in relation to the most valuable sections of both Canada and the United States, and emphasizes the need of an airport in Toronto.

The dominant international aspect of Toronto as an air traffic centre and of the routes radiating from it, has created for the Government a problem far broader than what Canadian or American interests shall be allotted operating rights over this territory. The question is: If a Canadian group is given commercial flying rights in the Ottawa-Montreal-Toronto area, could it gain access to American airports and flying rights over American territory, unless American interests were also given access to the Canadian points involved?

It is considered possible that if American interests were kept out, whatever Canadian group held the central Canada franchise would be denied commercial access into the United States field, thus limiting the Canadian group's business to the comparatively small traffic moving within Canada or to connect with American lines at border points. Thus Toronto might become, not an important air terminal with direct service to and from major Canadian and American centres, but merely an aviation four-corners with stub line services to first rank facilities in both Canada and United States.

Division Possible

Consideration of such difficulties and the probable objection of Toronto to being merely a transfer point cut off from main line service, may result in some sort of division between the Canadian and American groups in the field for the coveted permits. Already there is precedent for such a division. Canadian Colonial Airways, a Canadian company controlled by American Airlines, operates between Montreal and Albany and New York, with a connecting service with Ottawa. Northwest Airlines (U.S.) operates from Minneapolis and Fargo, N.D., into Winnipeg, while a similar link between Canada and the NWA Chicago-Seattle line is operated by Canadian Airways Ltd. between Vancouver and Seattle.

The spot is the potential site of Toronto's main municipal airport, decision on which is due to be made by the City Council this week. Despite periodic insistence upon the need for an adequate airport development at Toronto, the problem has been left unsolved for years because of official indifference, repeated procrastinations, violent controversies and conflict of interests.

Action seems imminent at last, and it cannot come too soon for the widely assorted interests who have been impatiently awaiting provision of modern air service facilities by the Ontario metropolis. The tremendous progress made by aviation on this continent and across the world has forcibly projected the lack of an airport at Toronto out of the realm of local controversy, local politics, and purely local welfare.

Blank Spot Left

Absence of an airport at Toronto has left a large blank spot, clouded with uncertainty, in the comprehensive picture now forming of aviation in this country and its links with other countries. A definite move toward constructing an air base for the city will pave the way for filling in a major gap in a prospect of future developments stretching from London to Hong Kong.

Toronto fits into the broad national and international aviation picture as the pivot point in the potentially valuable field of inter-city air line services in central Canada, and as the strategic connecting point between this field and the eastern, mid-western and transcontinental routes of the United States. Toronto lies far south of the route of the Trans-Canada Airways line. Even if it were on the direct line, according to the prevailing opinion encountered by The Financial Post, the city's chief importance would be as an essential link in a system of central Canadian and international air transport.

It is because of the vast possibilities of such a system, especially as a source of future profit from air mail, express and passenger traffic, that interest is so urgent in getting action on Toronto's airport problem. Sharing that interest and closely watchful of developments in regard to the air region centring on the Toronto area are governmental, aviation and big business groups in Canada, the United States and Great Britain.

Element of Uncertainty

The situation in regard to the field resembles in many respects that which preceded the final Government decision to vest control of Trans-Canada Airways in the publicly-owned Canadian National Railways; or, in other words, to retain control itself. Again there is uncertainty and conflicting rumor as to whether the Government will retain control or award franchises to private interests; and if the latter, to what private interests?

For months before Hon. C. D. Howe, Minister of Transport, decided on the present set-up of Trans-Canada, he and other members of the Government were subjected to what Mr. Howe called the most persistent lobby he had ever seen.

The Government has kept control and turned over to the C.N.R. the job of establishing and operating the service. So far, private interests which jockeyed so jealously for consideration in allocation of Trans-Canada control have shown little, if any, interest in the privilege left them of acquiring minority blocks of stock in the C.N.R.-dominated Trans-Canada Airways Corp.

Preparations Rushed

The directors of the corporation—all representatives of the Government or C.N.R.—have appointed Philip G. Johnson, experienced organizer and executive of United States air services, as vice-president to put the Trans-Canada service into operation in conformity with modern methods. Work is being rushed on radio, weather reporting, lighting and emergency landing field facilities, and first deliveries on orders for 'planes are scheduled for this summer. It is hoped to provide service over part of the Trans-Canada route before the fall, but it appears unlikely that complete service will be possible until next year.

With Trans-Canada policy defined and active steps toward establishing service steadily gaining momentum, a large question mark still hovers over the comparatively short-haul, inter-city routes and connecting links with the United States.

While the Transport Minister remains officially silent — as he did for the most part during the hectic period which evolved the Trans-Canada policy — prevailing opinion seems to be that the inter-city and international link field will be left largely to private enterprise.

Postal contracts for air mail routes are one method of government domination, for it is generally agreed that such contracts are necessary to keep scheduled air services on a profitable basis, particularly between urban centres.

The reputed ambition of Northwest Airlines to extend its Chicago-Seattle service into the eastern states is said to be a factor in the desire of NWA to enter the Canadian field at Toronto as well as Winnipeg. The Financial Post is informed that NWA cannot get a permit to operate over the Chicago-New York field because the U.S. Government officials feel that route is already sufficiently served. But, The Post is informed, ability of NWA to fly a route touching at Chicago, Detroit, Toronto and New York would give it an alternative channel into the eastern air traffic field.

The plan would also enable NWA to dovetail traffic originating in Canada into the operations of Eastern Airlines, operating out of Chicago and New York into the southern and southwestern states. Working arrangements already link the existing operations of the two services.

Another American bid for the rights over the Toronto-Ontario territory comes from American Airlines, control of which is attributed to E. L. Cord, motor magnate and financier. This group's claim to consideration is based partly on the fact that it is already operating in eastern Canada through Canadian Colonial Airways at Montreal, and that its Boston-New York-Chicago line already serves points close to Canada at Buffalo and Detroit.

Though these established facilities it would be possible, it is argued, for American Airlines to serve eastern Canada quickly and efficiently and handle entirely over its own lines traffic from Canada to such points as Boston, New York, Chicago, Cleveland, and cities on its transcontinental route to Los Angeles.

Canadian groups in the running for the Toronto area rights have the fact that they are Canadian to back up claims to consideration based on substantial capital and operating records.

Looming large among the potential contenders for the inter-city and international service is British North American Airways, headed by J. H. Gundy, Toronto financier and investment banker. Others identified with this company are Charles Burns, Toronto broker; William Zimmerman, barrister; and, as general manager, Roy Maxwell, former chief of the Ontario government air forestry patrol service. C. George McCullagh, publisher of the Toronto Globe and Mail, is reported to have relinquished the active interest he once had in the enterprise.

Canadian Group

Up to the time the Government decided to vest control of Trans-Canada in the C.N.R., British North American was regarded as a leading and active contender for control of at least a section of the Trans-Canada system. The company is now engaged with four or five planes in charter work in Northern Ontario, and in carrying out photographic survey and forest fire fighting operations for the provincial government.

Another Canadian concern which was in the front rank of bidders for the Trans-Canada operations, and now is a potential factor in the Ontario-U.S. picture, is United Air Services. Formed primarily in hope of finding a place in the Trans-Canada set-up — as was British North American — United Air Services is controlled jointly by General Airways, operating schedule and charter services in Northern Ontario and Quebec; Wings, Limited, operating north out of Winnipeg; and Mackenzie Air Services, running north out of Edmonton.

United Air Services is not to be confused with United Air Transport, headed by Grant MacConachie, which recently was awarded the air mail contract on the route from Edmonton to White Horse, Yukon, across the Rockies. This may be an eventual link in an all-British air route from Europe to Asia. United Air Services has been variously rumored to be backed by a major oil company and by a prominent Liberal M.P., but it is difficult to find any confirmation for such rumors beyond the fact that the oil company in question supplies all the gasoline used by the three companies linked in U.S.A.

Passive Interest

As far as can be ascertained, Canadian Airways Ltd., operating a far-flung network of schedule and charter services in various parts of Canada, is not at present actively interested in operations in the Toronto area. At one time operating the nearest approach to a Trans-Canada service the country has previously had, it suffered a severe setback when the depression brought wholesale cancellation of air mail contracts and more lately saw its hopes of Trans-Canada rights dashed to the ground.

At the same time, Canadian Airways officials are said to be by no means averse to extending their present scope of operations if they can get allotment of Government licenses, in the central Canada field or in the West and the Maritimes areas where the company is already functioning.

Evidence of Canadian Airways lack of interest in Toronto operations is seen in its desire to part with the property the company owns at the site of the landing field operated by the Toronto Flying Club. Leased to the

(Continued on page 20)

—Aerial photo by Canadian Airways Ltd. (Copyright).

Toronto Airport Site

Above is an air view of the island site in Toronto's harbor proposed for development as the main airport at the Ontario metropolis. The photo illustrates the proximity of the site to the Toronto downtown district, just across the western channel entrance to the harbor. The channel would be crossed by a barge shuttle service operating with cables attached to either side of the channel. The project calls for filling in of the lagoon shown in the middle of the site and outward extension of the white shoreline.

Relief Needed For Edmonton

Debenture Holders' Committee Asks Support for Plan

Edmonton debenture holders' committee has completed its plan for refinancing the city and is now appealing for support. The plan cannot become effective until approved by holders of 60% of the city's outstanding debenture debt.

Briefly the plan provides for issuing new debentures for the same principal amount as at present and maturing Feb. 1, 1967. In effect interest rates will remain as at present until maturity of the present debentures and then will be 4½%. Sinking fund on hand is to be liquidated and the city's own debentures which it holds are to be cancelled.

Committee's Analysis

In a letter to debenture holders, F. L. Hancock, secretary of the committee, states that the committee is convinced of the necessity of giving the city some relief and easing the burden of debt.

The committee points out that the city and its school boards had current liabilities $2.6 millions in excess of current assets at the end of 1936. Need for ready money to meet current requirements is pressing, with no further bank credit available. Recovery of liquid position will depend on disposal of tax sale property, liquidation of tax arrears and increase in taxation income.

Taxation is admitted to have reached its limit under existing conditions. In spite of a decrease of $9.1 millions in assessment since 1929, the basis of assessment is still considered high in relation to actual tax rates. A 55-mill tax rate in 1936 was still 20 mills too low to meet all the city's requirements.

$2.7 Millions For Capital Needs

From 1932 to 1935 inclusive, total revenue of the city decreased $843,713 while operating expenses were curtailed $253,184. From 1931 to 1936 unemployment relief cost the city $3.6 millions of which $2.4 millions was not capitalized. The city's utilities during this period have paid their share of debenture charges and, in addition, provided $4.7 millions of a surplus toward the relief of taxation burden. It is stated that there does not exist the opportunity for further reduction in ordinary expenditures while maintenance carried out in the past few years has been inadequate. Immediate need for capital expenditures of $2.7 millions faces the city unless operating facilities are to be seriously crippled.

Net capital liabilities stood at $23,490,461 at the end of 1936, of which those of the school boards accounted for $3,023,673. Debentures unmatured were as follows: City of Edmonton $32,873,884; Edmonton Public School Board $3,471,885; Edmonton Separate School Board, $346,800. Sinking fund on hand for the ultimate redemption of city of Edmonton debentures amounted to $12,064,679, of which $6,191,204 is made up of city debentures, $138,166 Edmonton public and separate school board debentures and $761,500 Province of Alberta direct or guaranteed securities. The public school board sinking fund amounted to $795,012 and its investments in part consisted of $371,667 Edmonton public and separate school board debentures, $150,000 city of Edmonton debentures and $231,500 Province of Alberta direct or guaranteed securities. The separate school board debentures and some of the public school board debentures are serial issues and are retired in annual installments, no sinking fund being required.

Due to heavy subsequent maturities and to the "frozen" nature of some of the securities held in the sinking fund, the city will ultimately experience difficulty in meeting its maturities.

Nearly 6,000 Exhibits Scheduled for Leipzig

Nearly 6,000 commercial exhibits are expected at the German Leipzig Fair, Aug. 29-Sept. 2. These will cover a vast range of home furnishings, jewellery, toys, mechanical equipment, textiles, leather goods, foodstuffs, drugs and paper products.

A feature of the fair will be the German exhibit of goods manufactured from the new synthetic raw materials which will be shown alongside those made from natural raw supplies.

DIVIDEND NOTICES

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 49

A DIVIDEND of Twenty Cents (20c) per share, being at the rate of 80c. per annum, on the no par value COMMON STOCK of Southern Canada Power Company, Limited, has been declared for the quarter ending July 31st, 1937, payable August 16th, 1937, to shareholders of record at the close of business on July 31st, 1937.

By order of the Board,
L. C. HASKELL,
Secretary.

Montreal, June 29th, 1937.

George Weston Limited

Preferred Dividend No. 6

NOTICE IS HEREBY GIVEN that a dividend being at the rate of 5% per annum has been declared on the Preference Stock of this Company, payable on the 3rd day of August, 1937, to shareholders of record at the close of business on the 15th July, 1937.

W. H. KEMP,
Assistant-Secretary.

Toronto, June 30th, 1937.

SIMON'S

H. Simon & Sons Limited

DIVIDEND NOTICE

A Dividend of $3.50 per share has been declared upon the outstanding 7% Cumulative Preferred Stock of H. SIMON & SONS LIMITED, said Dividend to be payable on the Second day of August, 1937, to shareholders of record at the closing of business on the twentieth day of July, 1937.

By order of the Board.

Montreal, June 28, 1937.
A. E. M. WARNER.
Secretary-Treasurer.

Attacks on the C.N.R. Answered by Official

Attempt Made to Undermine Confidence; Says Fairweather

STRESSES VALUE

Answer to what were described as "recurring attacks" on the Canadian National Railways, and to the "accompanying flood of half truths, distorted statements and worse," was advanced by S. W. Fairweather, director of the C.N.R. Bureau of Economics, in an address before the Kingston Kiwanis Club recently.

Mr. Fairweather said the personnel of the railway system resented the attacks and misrepresentation, and saw in them a "campaign to break down the confidence of the people of Canada in the C.N.R. as a publicly-owned enterprise."

Short Route

The Canadian National, Mr. Fairweather stated, comprises 23,500 miles of railway in Canada and the United States and is the largest railway organization on the continent. It affords the shortest rail route between eastern and western Canada with lower gradients than any other line in Canada or the United States. In the Prairie Provinces its branch lines serve the most productive part of the country north of the drought zone.

It crosses the Rocky Mountains at the lowest elevation of any of the transcontinental lines in Canada and U. S. In eastern Canada it affords the only routes in Canada between the Maritime Provinces and the rest of the country. It has a double track main line running through Quebec and Ontario and into the United States as far west as Chicago.

"It serves directly 90% of the people of Canada and to one-quarter of them it is the only railway available," Mr. Fairweather said. "About 60% of the coal produced in Canada depends on the lines of the Canadian National for rail transport. Developments of base and precious metal mining in recent years have been very largely along its lines of railway.

"Of the dozens of producing mines which came into production in the last 10 years, nearly all, including such giants of the industry as Noranda and Flin Flon, are in the territory served and opened by the Canadian National. The system is by long odds the greatest factor in serving the forest industries of Canada; it originates more newsprint and pulp tonnage than any other railway on the continent, and when one turns to general manufacturing, the Canadian National originates more tonnage than any other railway in the Dominion.

Balance sheets, profit and loss statements and income accounts, according to Mr. Fairweather, tell only part of the story. The rest of the story is to be found in the development of trade and industry brought about by the construction, maintenance and operation of the facilities.

Excess of Mileage

Referring to the charge that a great deal of Canada is over-railroaded, Mr. Fairweather stated that this is one of the half truths that becloud the Canadian railway issue. It passes his comprehension, he said, "how a country can go through a development stage without a low population per mile of railway."

As to the amount of transportation service rendered by the Canadian National, Mr. Fairweather stated that generally speaking the duplication of railway facilities is much less than the duplication that is always present in industry.

Stating that in future Canada should avoid the uneconomic duplication of railway facilities, Mr. Fairweather referred to the probable invasion of the northwestern area of Quebec by a privately-owned railway in order to tap developments already fostered by the Canadian National as "an economic crime."

'Phone Securities Drafts Proposal

Plan to Change Collateral Behind 5% Trust Notes

From Our Own Correspondent

MONTREAL. — Holders of the 5½% collateral trust notes of Telephone Securities Ltd., a subsidiary of Anglo Canadian Telephone Co., will meet in Montreal on July 27 to consider an exchange of securities held as collateral against the notes.

Telephone Securities owns better than a half interest in Telephone Investment Corp., which in turn holds practically all the outstanding capital stock of Philippine Long Distance Telephone Co. By the elimination or dissolution of Telephone Investment, a saving of approximately $70,000 a year can be made. But recent changes in the laws of the Philippine Islands prohibit more than 40% of the securities of a public utility company being held outside of the United States or Philippine Islands. As a result some rearrangement of the collateral for the notes of Telephone Securities must be made if the proposed dissolution of Telephone Investments is to be carried out.

The plan is as follows:

To surrender 16,000 shares of Telephone Investment Corp., approximately one third of the collateral behind the notes of Telephone Securities, and receive in return $500,000 of Automatic Electric Co. 6% notes and $500,000 of Telephone Securities Ltd. notes which are now held by Associated Telephone and Telegraph Co. Telephone Securities Corp. notes will then be cancelled, thus reducing the outstanding issue to $1 million, with $500,000 6% notes of Automatic Electric held as collateral against the balance of the Telephone Investment Corp. shares.

Setting forth the position of the securities which it is proposed to substitute for collateral, the notice points out that net earnings of Automatic Electric available for interest on notes before income taxes amounted to $881,040 in 1934; $1,140,153 in 1935 and $1,295,063 in 1936.

Net income available for dividends of Telephone Securities Ltd. for the four months ended April 20, amounted to $164,541 in 1937 and $122,000 in 1936 after allowing for interest on funded debt.

NOVA SCOTIA OFFICER

H. F. Patterson, whose election as vice-president of the Bank of Nova Scotia was announced this week.

Dom. Woollens Plants Closed

Strike Shuts Down Peterborough Mills—Negotiations Launched

First step toward settling the strike at the two Peterborough mills of Dominion Woollens & Worsteds, Ltd., was taken this week when strikers accepted the company's offer to negotiate with a committee of employees.

At a meeting of strikers a letter from the company was read suggesting that work be resumed while negotiations between the company and representatives of employees went on, or, as an alternative, that the management meet a selected committee of employees after the committee had prepared a statement of the points to be discussed. It was the latter suggestion that the workers voted to accept.

In its letter to workers, management states that it has "in the past always been willing, and is still willing to meet workers either individually or through a representative committee to discuss matters of common interest."

The strike started on June 29 in the Auburn mill. Within a few days it had spread to the Bonner Worth mill of the company. Company officials state that approximately 700 employees are affected by the shutdown. This is approximately one half of the total employees of Dominion Woollens.

Reports from Peterborough indicate that the strikers are seeking a 25% increase in pay and improved working conditions. Company officials had not been advised of the strikers demands up to the time the offer to negotiate was accepted.

C.N.R. to Modernize South Devon Terminal

From Our Own Correspondent

MONTREAL.—Plans for modernizing its terminal facilities at South Devon, N.B., have been announced by the Canadian National Railways.

Tenders are being called for the erection of a modern 90-foot engine house with concrete foundations, and a fully-equipped machine shop and boiler room attached. In addition, an 85-foot steel turntable with concrete foundations, stores building, enginemen's bunkhouse, and an ice house of 500 tons capacity is to be provided.

Tenders will be received by W. U. Appleton, vice-president and general manager Atlantic Region, Moncton, N.B., up to 12 o'clock noon, Monday, July 19.

Privy Council Decision Affects Bank Collateral

Highest Court Rules Dominion Bank and E. B. M. Co. Directors Must Pay $323,000 — No Right to Hypothecate

Of major significance to Canadian banks is the recent decision of the judicial committee of the Privy Council, under which the E. B. M. Co. Ltd., formerly Carling Export Brewing and Malting Co. wins its action to recover $323,000 of bonds held by the Dominion Bank as security against possible judgment liabilities of the E. B. M. concern.

The Privy Council decision reverses an earlier judgment of the Ontario Supreme Court, and determines anew that a limited company is a separate entity, distinct from its own shareholders.

Dating back 10 years to events which occurred when the Carling Export Brewing and Malting Co. Ltd. sold its assets to Carling Breweries Ltd. for $2 millions, the case arises from the fact that the export company owed the Dominion Government an undetermined sum for gallonage and sales tax on beer.

As security for this unknown obligation, the company deposited $400,000 of Dominion Government bonds with the Dominion Bank, and three years later changed its name to E. B. M. Co. Ltd.

The amount of gallonage and sales tax was determined by a Privy Council decision in 1931, awarding the Dominion Government $88,073 and this was paid to the receiver-general of Canada by the Dominion Bank, out of the $400,000 on deposit.

Payment Refused

But when the E. B. M. Co. demanded payment of the balance, some $323,000, from the bank, the latter refused on the ground that the sum was pledged as security for another obligation, incurred by three of the company's directors, acting on their own behalf and purportedly on their company's behalf, for the directors' personal indebtedness for about $1.5 million in connection with construction of the Dominion Square Building in Montreal.

The first move of the E. B. M. Co. was to issue a writ against the bank in 1931, claiming the $323,000 and interest. The case was tried in the Ontario Supreme Court and the E. B. M. Company's claim dismissed in 1934. On appeal to the Ontario Appeal Court the case was again dismissed and the whole matter later taken to the Privy Council.

Legal representatives of the E. B. M. Co., arguing the case before the Privy Council in London last March, claimed that even if the directors' action was within the right of the company, no meeting of shareholders was held to authorize hypothecation of assets or to authorize the three directors, Messrs. Low, Leon and Burns to execute this hypothecation on behalf of the company.

The Privy Council's decision was based on a principle established in 1897 when a case known as "Solomon vs. Solomon and Co. Ltd." resulted in the decision that once duly constituted, a limited company is a legal entity, distinct and entirely separate from the shareholders who compose it. That principle has been strictly observed in England since 1897, but in Canada the courts have placed varied interpretations on the law and in some cases varied the principle by passing beyond the line separating a limited company, as an artificial person, from the shareholder, who controls it, thus declaring the company to be a sham.

Personal holding companies in Canada are also likely to have a more clearly defined status as a result of the decision cleaving a distinct line between a controlling shareholder interest and the company itself.

Airways Test Flight Planned End of July

The scheduled test flight for the proposed dawn-to dusk service of Trans-Canada Airways from Montreal to Vancouver is now planned for the last week in July, according to the latest announcement by Hon. C. D. Howe, Minister of Transport. The flight will be made in the Lockheed transport plane similar to those to be used when regular service is established, and is planned for completion in 13½ hours with five stops.

Aboard the machine will be Mr Howe, Commdr. C. P. Edwards, chief of air services; and at the controls Wing Commdr. J. H. Tudhope and Pilot A. Hunter. Exhaustive survey flights over the Trans-Canada route from Vancouver easterly are currently being made by Commdr. Tudhope, D. R. MacLaren, Trans-Canada general manager, and Philip G. Johnson, newly appointed vice-president in charge of operations.

Installation of radio beam equipment on the Winnipeg-Vancouver section of the route is reported to be virtually completed.

U. S. Advertising Eases Up in May

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in 52 American cities, as compiled by Media Records and published by Editor and Publisher registered a slight falling off in May, reflecting, in part, the business uncertainty growing out of the prolonged labor strife.

Total linage for the month was 130.8 millions, an increase of 2.9% over the same month in 1936. Display linage at 103.7 millions showed a fractional increase over last year, while classified advertising at 27.1 millions was up 12.2%.

The breakdown of returns shows retail, departmental store and general advertising recorded an increase, while automobile advertising was 87.9% of what it was a year ago and financial advertising 93.5% of the 1936 total.

Rackets

Losses from Indifference

Many businessmen seem to have a tendency to let themselves be easy marks for swindlers, big and little, in spite of the availability in most cities of protective facilities such as better business bureaus.

A recent check by the Toronto Better Business Bureau revealed that 10 firms had contributed $770, in amounts varying from $15 to $200, as contributions for advertising and for "entertainment of delegates" to a convention they were told was to be held in the fall. Enquiry quickly revealed that the individuals who had solicited the contributions were unconnected with and unauthorized by the organization they purported to represent, and had pocketed the funds collected—for their own entertainment instead of the delegates'.

The most peculiar feature of the case was that five of the ten victims were members of the Bureau, and could have asked the canvassers for the bureau's identification card or asked the bureau to investigate before responding to the appeal for funds.

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False Advertising

A survey by the Toronto bureau has resulted in a finding that most inaccurate, deceptive and misleading advertising by business and mercantile firms can be traced to carelessness or pressure of competition, and only occasionally to deliberate intention. While it is deplorable that the public should be induced to buy or do business by false statements in the public print, it is reassuring to have the bureau report that a comparatively small portion of advertising is misleading; and that the majority of firms agree to make corrections when this is suggested.

Airway Links Speeding Tempo of World Trade

Canadian Exporters Offered Fast Mail Services from Montreal, Winnipeg or Vancouver — Toronto Must Use Montreal Facilities

The extent of development of interconnected air services throughout the world, and the striking increase in speed they offer in contrast to older forms of transport, are illustrated in a bulletin in the latest issue of the Commercial Intelligence Journal, weekly pamphlet of the department of trade and commerce.

The bulletin urges Canadian exporters to take advantage of air mail facilities now available from Canada to other parts of the world, and includes a tabulation showing the saving in time made possible by use of air service from principal Canadian centres to outlying parts of the world. Below is a table based on the Journal's figures:

Transmission Time (In Days)

	From Montreal		From Winnipeg		From Vancouver	
—To—	Air	Non-air	Air	Non-air	Air	Non-air
Bombay	14	22	13½	23½	14	27
Cape Town, S.A.	17	25	16½	26½	17	30
Cristobal, Panama	1⅔	7½	2 1/6	9	2⅓	12½
Rio de Janeiro	5	13½	5½-6½	15	6-7	18½
Buenos Aires	6	18½	5½-6½	20	6-7	23½

Toronto at present has no airport and is not served by scheduled air facilities, so that an extra half day must be added to the time of transmission from Montreal in computing the length of time for sending air mail from Toronto to the foreign points mentioned in the table.

While the commerce department's bulletin does not mention routes or services from Montreal, Winnipeg or Vancouver, air mail to and from those three points is presumably handled by the existing aerial connections with United States points. Montreal is linked by Colonial Airways with New York, Winnipeg by Northwest Airlines with Minneapolis and transcontinental air routes, and Vancouver by Canadian Airways with Seattle, transcontinental air routes and the China Clipper flying boat service to the Orient.

It is also assumed that the department's compilation is based on utilization of Pan-American Airways routes from the United States to South America, and of the air routes across Europe and the Orient.

Disability Policy Is Paid Despite "Miraculous" Cure

Unusual among legal disputes over insurance disability claims was the recent Montreal case in which François L'Ecuyer won a decision from L'Alliance Nationale when the latter refused to pay a total disability claim of $2,000.

L'Ecuyer, retired as totally unfit for further service in the Montreal police force in 1934, was subsequently reported in a French language newspaper to have been completely cured by the late Brother André.

The insurance company claimed that the ex-policeman was therefore no longer totally incapacitated, but since the company made no effort to have L'Ecuyer examined by doctors, the judge declined to accept the reported "cure" as a fact. He observed that the man's appearance obviously indicated physical disability.

Time of Disability

A second unusual feature of the case was the plea of the insurance company that the policy was not enforceable because the man was no longer a member of the police force. A clause provided that a beneficiary must be on the police force to enjoy the policy's benefits.

That claim, too, was denied. Obviously, the judge remarked, an insured person could not be a member of a police force and still be totally incapacitated. He interpreted the policy to mean that the insured must be a member of the police force at the time the disability arose.

The insurance company was ordered to pay the amount of the policy.

Municipal Finances

Lanark County, Ont.—Tax rate for 1937 has been set at 12.54 mills a reduction of about two mills from that for 1936.

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Sarnia, Ont.—During April, May and June to June 20, tax collections totalled $389,846, or 54.4% of the 1937 roll, compared with collections of $395,994, or 50.4% of the 1936 roll, in the corresponding period of 1936. The reduction of 1.75 mills in the 1937 tax rate caused a reduction of about $75,000 in total tax roll for this year and accounts for the smaller dollar figure for collections although the percentage of the total is greater.

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York County, Ont.—The board of valuators appointed a year ago to bring in a report on county assessments that would serve as a basis for assessments and county equalization has recommended an increase of $122.7 millions in the total county assessment. This would bring the assessment from $132 millions to $254.7 millions.

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Amherst Twp., Papineau County, P.Q.—Quebec municipal commission has authorized payment of interest on debentures issued under the following by-laws: by-law No. 37, coupons due May 1 and Nov. 1, 1936: by-law No. 38, coupons due May 1 and Nov. 1, 1936; by-law No. 43, coupon due Sept. 1, 1936.

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Notre-Dame-de-la-Dore Parish, Lake St. John County, P.Q.—Quebec municipal commission has authorized payment of the following coupons: by-law No. 45, coupons due Dec. 1, 1935; by-law No. 42, coupons due Dec. 30, 1935; by-law No. 43, coupons due Dec. 30, 1935.

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Calgary, Alta.—The city's general expenditures for the first five months of 1937 are $66,493 greater than for the comparable period of 1936. Largest item in the increase is $26,062 in the relief department caused by reduction in the allowances from the Government.

Calgary's public utilities report a surplus of $28,728 for the first five months of 1937 compared with a corresponding surplus of $33,276 in 1936. This surplus in 1937 was entirely provided by the electric light and power department.

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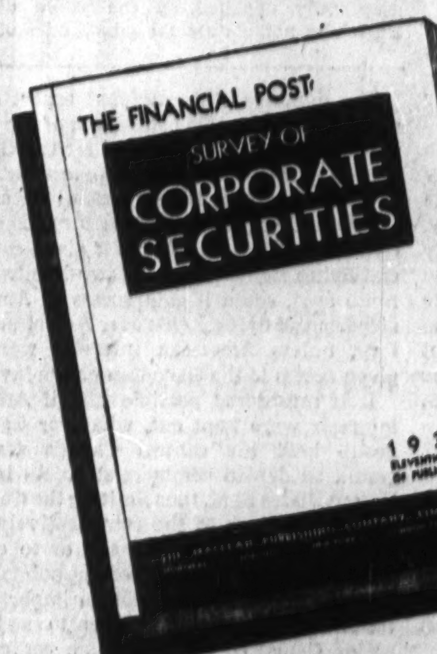

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Construction

Uncertain Labor Costs Check House Building

Wide Fluctuation Leaves Potential Builder Confused—Cost of Materials Shows 20% Increase in Five Years

Residential construction in Canada has been averaging around $5 millions monthly with the exception of the normal winter slackening. There is every indication that last year's total of almost $43 millions will be substantially exceeded. But even if $50 or $60 millions of new houses and apartments are put up this year, the record will be disappointing to those who were hoping that this industry would absorb the bulk of Canada's unemployed.

With actual residential construction since 1931 less than half of that in the six-year period preceding, thus resulting in a backlog of deferred construction of well over $200 millions, hopes of greatly increased building activity were justified. But rising costs, coupled possibly with some slowing down in the rate of general economic recovery, have drastically checked the anticipated expansion.

In materials, costs have now reached their highest point in the last eight years. Assuming that labor has advanced in like proportion, a house which could have been built for $8,000 five years ago would now cost over $9,500. If this trend continues, it is feared that much of the still considerable construction contemplated will be abandoned.

Cost of Materials

In the first six months of the current year cost of building materials increased 10% over the corresponding period a year ago. For the whole of 1937 it promises to at least equal the average of exactly 10 years ago, when four times as many houses were being built. In the following table cost figures are supplied by the Dominion Bureau of Statistics and the total of residential construction by MacLean Building Reports:

	Building	Cost Bldg.‡ Materials
1937 (6 mos.)	$29,450,000	94.6
1936	42,858,000	85.3
1935	36,408,000	81.2
1934	30,588,000	82.5
1933	23,930,000	78.3
1932	28,893,000	77.2
1931	81,684,000	81.9
1930	93,292,000	90.8
1929	128,901,000	99.
1928	139,166,000	97.4
1927	124,939,000	96.1

‡1926=100.

Actual increase in labor costs is more difficult to measure and it is impossible to make any estimate for the whole of Canada. Rates vary from district to district and often within one definite area as well. They have risen, however, from the levels of a few years ago when union wage scales meant one thing and actual wages paid to job hungry artisans, laborers and contractors meant another. Building codes in various provinces and metropolitan areas have tended to stabilize rates at union levels, but not completely. In this very uncertainty of labor costs lies a potent threat to new construction.

Uncertain Labor Costs

Normally, a moderately rising cost curve would stimulate speculative building by owner-builders and speculative contractors, but there are several reasons why the current advance in costs is threatening to become a brake on home building instead of an accelerator.

One factor is illustrated by an actual case in a large eastern city, in which a man asked a local architect to draw plans and estimates for a small residence. The architect asked for tenders among contractors, and on the basis of the rise in prices of materials the cost of the projected house was not difficult to determine compared with what it would have been a year or two ago. Plumbing and heating, tile, plastering, lumber, brick and other materials are quoted by supply houses at fairly well established prices. But an entirely different situation presented itself in the case of estimated costs when both materials and labor are involved.

The architect received bids from several contractors. Five bids were submitted for tiling the bathroom and these varied between $100 and $184. Since all five bidders obtained quotations for tile from identical sources, and at prices which varied only a few dollars either way, the spread of $84 on a relatively minor item was clearly the difference in labor costs.

For the same contract, bids for plumbing and heating ranged from $378 to $455, and here again the fact that plumbing and heating materials are quoted by supply houses at fairly uniform prices left only one conclusion: that the spread between high and low bids reflected uncertain costs of labor.

The general trades contract bids showed a similarly wide variation, ranging from $1,550 to $1,915, and about half the cost in each case represented estimated labor charges, accounting for the whole of the spread or nearly $400. Material supply houses in this case also quoted more or less uniformly established prices, but the labor item created the wide difference between high and low bids.

The confusion arising from these uncertain conditions has had considerable influence in retarding contemplated construction. Anxious to secure the lowest possible bid, but fearful of poor workmanship, the average man is baffled by the wide range of estimates for various types of work. He has also been discouraged by the sudden price advance in certain lines of materials. The net result in so far as residential construction is concerned has been delay.

Sherwin Paints Expands Plant

Foundation Co. Gets Contract to Build New Linseed Oil Mill

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has been awarded a contract by the Sherwin-Williams Co. of Canada for construction of a new mill at an estimated cost of over $300,000.

The new addition will double the capacity of the Sherwin-Williams plant here. No additional financing will be required to cover this expenditure.

Construction World

B. C. Regulates Wages

Skilled workers in practically every branch of the construction industry must be paid not less than 75 cents per hour the British Columbia Board of Industrial Relations has ruled for Vancouver Island and the lower mainland which includes the City of Vancouver. Eventually it is expected the regulation will be widened to include the whole of British Columbia. Unskilled labor rate is fixed at 45 cents per hour.

More than 15,000 men are now covered under minimum wage laws in the B.C. construction industry. Agreements are arrived at by mutual consent of representatives of both employees and employers.

The board maintains that the object of the order is not to establish standard wages for skilled craftsmen, but merely to fix a legal minimum, below which no such employees may be paid.

* * *

Codes Still Untested

While similar building codes have now been put into effect in most of the provinces, their net value and practicability is still difficult to estimate. Many of them have come into existence at a time when general conditions were improving and wage rate gradually rising. Full responsibility for more uniformity in rates or a higher level therefore can hardly be credited to the codes.

Before their permanence can be judged they must weather a longer period and preferably a time of decreasing activity when the strain on any mutual agreement is most severe. In some cases, too, either the legality of such regulations has not been tested, or where isolated cases have come before the courts, as with a plumbing suit in Toronto recently, final decision may still be pending.

Quebec Farm Loans

From Our Own Correspondent

MONTREAL.—Although it has been operating less than six months, the Quebec Farm Loans Board has considered 20,000 loan applications from farmers and has granted approximately 4,000 of them. It is estimated that $4 millions of the $15 millions voted by the legislature for this purpose has been lent.

Awards of $30.4 Millions Set 6-Year Peak in June

Due largely to industrial building, including seven big contracts for factories, power plants and grain elevators, June construction awards in Canada hit a new peak for any month since September, 1931.

At $30.4 millions, the value of contract awards compares with $24.1 millions in May and $20.8 millions in June, 1936, bringing total awards for the first half of 1937 to $110.3 millions or 42% above the corresponding figure of $77.7 millions in 1936. Even more strikingly indicative of the uncompleted construction still in prospect for this year and next is the rise in contemplated building, estimated by MacLean Building Reports Ltd., at $239.3 millions, a figure 61.2% greater than the $148.4 millions estimated at this time last year.

Highway construction awards in Ontario at $3 millions headed the list of large individual contracts in excess of $60,000, but important gains in residential building are shown in awards of $6.9 millions for homes and apartments, an advance of about $500,000 over the previous month. House construction alone totalled $6.1 millions against $5.5 millions in May.

Toronto projects in the first half of this year reached $14 millions and Montreal contract awards stand at $10 millions for the first six months of 1937. For the month, industrial groups showed the largest increase at $7.5 millions in contracts against $1.5 million in May.

Comparative figures follow:

Canadian Building Contract Awards

	June, 1937		May, 1937		June, 1936	
	No.	Value $	No.	Value $	No.	Value $
Apartments	35	797,300	38	865,500	19	317,800
Residences	2,239	6,179,500	2,032	5,594,900	1,645	5,000,600
Total residential	2,274	6,976,800	2,070	6,460,400	1,664	5,318,400
Churches	35	359,400	38	361,400	31	242,200
Public garages	81	306,100	102	435,100	90	431,000
Hospitals	10	598,900	12	692,500	7	659,000
Hotels, clubs	43	188,400	47	260,000	48	223,800
Office bldgs.	42	586,500	42	513,900	30	180,200
Public bldgs.	72	1,020,600	68	368,100	71	794,100
Schools	55	831,200	39	890,800	45	881,600
Stores	184	697,900	234	730,700	187	790,600
Theatres	10	205,900	16	283,000	8	151,000
Warehouses	72	2,075,600	53	508,700	62	780,900
Total business	604	6,868,500	649	5,044,000	579	5,134,400
Total industrial	72	7,479,400	120	1,535,500	76	2,114,000
Bridges	23	546,600	18	1,736,100	23	262,600
Dams, wharves	14	251,300	6	108,300	4	34,800
Sewers, watmns.	16	124,800	14	250,200	17	85,600
Roads, streets	67	5,947,300	83	6,110,600	124	6,268,900
General engineering	63	2,174,900	61	2,930,400	56	1,584,700
Total engineering	183	9,044,900	182	11,130,600	224	8,236,600
Grand total	3,133	30,369,600	3,012	24,170,500	2,543	20,803,400

Contracts Awarded

	No.	Value $
6 months, 1937	13,298	110,375,800
6 months, 1936	8,812	77,708,500
6 months, 1935	9,209	75,594,500
6 months, 1934	7,738	60,916,700

Contemplated New Building

	No.	Value $
6 months, 1937	17,845	239,329,400
6 months, 1936	12,435	148,425,600
June, 1937	3,253	26,135,900
May, 1937	3,565	40,020,800

Mortgage Co. Assets Small

Liquidator Reports on Colonial Investment & Loan Properties

Assets held for shareholders of Colonial Investment & Loan Co. by the liquidator, Premier Trust Co., Toronto, included $3,233 in cash, $61,000 in real estate, $28,172 in mortgages and agreements for sale and $112,862 in farms at Aug. 31, 1936.

The chief item in real estate was the Empire Theatre, Saskatoon, carried at $44,318 and leased until Sept. 30, 1937, at sufficient rental to cover carrying charges. The liquidator points out that the book value of farm loans is considerable but actual realizable value is doubtful.

Colonial Investment & Loan Co. at one time had a capital of $2,560,000 as well as a debenture issue which was sold in Scotland, but later redeemed. Prior to appointment of the liquidator in 1928, the directors had decided to gradually wind up the business which had been operating in mortgages and loans in Manitoba, Saskatchewan and Alberta. Up to 1928, $8.75 had been repaid on each $10 preferred share. The number of preferred shares had been reduced as a consequence from 256,000 to 32,000 shares of $10 par value.

The liquidator has been able to realize sufficient to repay a further $5 a share up to 1931. Thus preferred shareholders have received altogether 93¾% of their original investment. Remaining assets are non-liquid and since 1930 the payments on the farm crop share basis have not been sufficient to prevent accumulation of tax arrears. The matter of further payments on the preferred shares, therefore, is doubtful and will depend on recovery of farm values in the Prairie Provinces.

Check Bridge Expansion With Aluminum Paint

Aluminum paint is being used on the draw span of the new Fraser River Bridge at New Westminster, B.C. to keep heat expansion at a minimum. Light colors, of course, absorb less heat from the sun's rays than darker shades.

Even after maximum allowance for expansion at the joints big bridges increase and contract considerably when the nights are cool and the days are hot. In a fixed bridge normally this movement does not affect its usefulness but where the structure must be opened as is the case with Fraser River undue expansion might hamper fitting into place again after opening.

New Building

The Daily Commercial News and Building Record reports:

Abitibi Power and Paper Co., Smooth Rock Falls, Ont.—Immediate construction of 51 dwellings, additions to school, store, and sewage facilities, water supply and fire protection connections for dwellings.

Hotel Biltmore, Guelph, Ont.—Sketch plans prepared for $110,000 hotel, contemplated on one of three possible sites, of four stories, 75 rooms, tentatively named Hotel Biltmore. Owner's name undisclosed.

Anderson Manufacturing Co., Newcastle, N.B.—Proposed $20,000 sash and door factory replacing structure destroyed by fire.

Singer Manufacturing Co., subsidiary of Singer Sewing Machine Co., Thurso, Que.; new office building at existing plant.

Viceroy Manufacturing Co., Toronto; four-story manufacturing and office building.

Hayes Steel Forgings, Merritton, Ont.; machine shop extension to existing plant, one story, 100 by 150 feet, concrete and structural steel frame.

S. S. Kresge Co., Toronto; store, one story, near Yonge and Gerrard Sts., at estimated cost of $70,000.

Walkerville Brewery, Walkerville; site acquired and plans prepared for addition to brewery.

Toronto Elevators, Toronto; feed mill addition at Queen's Quay, $450,000.

Department of Public Works, Ottawa; contemplated erection of three new buildings and public works testing laboratory plant at estimated cost of $225,000.

Lake Sulphite Pulp Co., Red Rock, Ont.; pulp machinery for installation at proposed mill $500,000.

Sarnia City Dairy, Sarnia, Ont.; sketch plans prepared for $15,000 addition to plant.

City of Montreal, proposed community hall at estimated cost of $1.5 million.

Canada Cycle and Motor Co., Weston, Ont.; proposed construction of plant addition $50,000.

Buffalo and Fort Erie Public Bridge Authority, Peace Bridge, Fort Erie, Ont.; new warehouse at Canadian end of Peace Bridge, $30,000.

Canada Packers, Vancouver, B. C.; proposed abattoir on False Creek Flats $300,000.

Globe Finance Corp., in care of **J. Donat Langelier, Ltd.**, household appliances, Montreal; proposed additional story to existing five-story store, $50,000.

Empire Foods Corp., Ste. Martine, Quebec; proposed warehouse, $18,000.

Dominion Silk Mills, Toronto; addition to factory building.

Town of Coaticook, Quebec; new factory $35,000 to be leased by La-Salle Electrical Mfg. Co.

Dominion Oilcloth and Linoleum Co., Montreal; addition to factory, $100,000.

English Electric Co., St. Catharines; warehouse and addition to cost $100,000 not $10,000 as previously reported.

Spring Boosts Repair Loans

H.I.P. Total Doubled Since March Now Stands at $3.7 Millions

In the seven months since Nov. 1, when the Home Improvement Plan was inaugurated, to the end of May, total loans amounting to $3.7 millions have been made for home repairs and modernization, it is revealed in official figures issued by the minister of finance. The total is almost twice that reported on March 1.

Cities and towns with more than 5,000 population are included in the tabulation which shows $3.7 millions divided among 9,388 individual loans. These represent increases of 1,361 loans and $527,045 over figures at May 15.

The bulk of lending under the H. I. P. is concentrated in cities with populations of 40,000 or over, and in this group the May 31 totals show 5,290 loans at a figure of $2 millions.

Toronto Leads Cities

Toronto, with 1,234 loans amounting to $429,825, leads all cities of the Dominion in volume of H. I. P. loans, and Montreal with 794 loans at $411,536 is in second place. Vancouver, Winnipeg, and Edmonton are the next three largest lending centres in dollar volume of loans.

Loans by provinces are shown in the following figures:

	Loans	Total $
Ontario		
Hamilton	249	68,710
London	188	64,083
Ottawa	245	126,015
Toronto	1,234	429,825
Windsor	189	70,942
Belleville	41	12,043
Chatham	45	13,284
Cornwall	27	9,186
Galt	58	16,101
Niagara Falls	68	29,143
North Bay	66	20,496
Owen Sound	23	8,368
Port Arthur	38	13,768
St. Thomas	46	18,446
Sarnia	98	26,127
Stratford	38	3,095
Sudbury	84	48,055
Timmins	76	54,332
Welland	38	11,228
Woodstock	54	20,605
Brantford	51	14,763
Fort William	34	15,404
Guelph	54	22,971
Kingston	55	20,765
Kitchener	97	38,675
Oshawa	102	24,442
Peterborough	97	26,533
St. Catharines	88	34,990
Sault Ste. Marie	34	12,922
Barrie	22	8,790
Brampton	14	6,217
Brockville	21	12,663
Cobourg	12	4,263
Collingwood	15	5,876
Dundas	13	8,019
Eastview	11	2,233
Fort Erie	21	7,370
Fort Frances	40	13,500
Ingersoll	40	15,143
Kenora	30	10,827
Lindsay	28	12,435
Midland	15	3,639
Mimico	10	2,000
New Toronto	41	14,722
Orillia	19	3,585
Pembroke	19	4,629
Port Colborne	4	1,895
Preston	10	1,735
Renfrew	8	2,864
Simcoe	47	24,735
Smiths Falls	10	2,205
Thorold	12	4,570
Trenton	22	6,621
Waterloo	11	3,890
Whitby	5	1,384
Quebec		
Quebec	107	61,098
Montreal	794	411,536
Verdun	48	19,820
Hull	20	10,201
Outremont	15	13,500
Sherbrooke	61	30,626
Three Rivers	36	20,870
Westmount	33	23,915
Chicoutimi	14	5,235
Granby	13	6,740
Joliette	9	4,965
Lachine	23	12,719
Levis	22	12,075
St. Hyacinthe	37	27,027
St. Jean	49	27,554
Shawinigan Falls	28	11,076
Sorel	13	5,725
Thetford Mines	11	4,985
Valleyfield	9	4,250
Cap de la Madeleine	8	4,575
Drummondville	28	11,445
Grand'Mere	9	5,550
Jonquiere	34	17,670
La Tuque	16	9,972
Longueuil	14	5,797
Lauzon	2	212
Magog	53	18,000
Rimouski	12	7,400
Riviere du Loup	3	600
St. Jerome	18	9,029
St. Lambert	36	15,745
St. Laurent	5	5,815
Victoriaville	34	10,513
Nova Scotia		
Halifax	173	64,970
Amherst	30	8,989
Dartmouth	17	3,396
New Glasgow	37	11,950
New Waterford	187	64,410
North Sydney	35	9,460
Stellarton	11	2,801
Sydney Mines	41	6,527
Truro	44	16,245
Yarmouth	19	4,531
Glace Bay	102	37,419
Sydney	120	45,016
New Brunswick		
Fredericton	45	14,238
Campbellton	47	11,700
Edmundston	17	7,140
Moncton	106	40,414
Saint John	177	80,569
Prince Edward Island		
Charlottetown	76	24,116
Manitoba		
Brandon	29	10,305
St. Boniface	25	18,277
Portage la Prairie	9	5,290
Transcona	18	3,755
Winnipeg	493	186,327
Saskatchewan		
Moose Jaw	62	23,705
Prince Albert	44	11,717
Swift Current	19	8,246
Weyburn	6	2,145
Regina	65	19,352
Saskatoon	49	15,167
Alberta		
Medicine Hat	17	6,860
Calgary	276	112,345
Edmonton	292	131,067
Lethbridge	30	16,185
British Columbia		
Vancouver	617	197,805
Victoria	96	36,025
New Westminster	136	40,483
Kamloops	20	4,700
Nanaimo	24	9,888
Nelson	63	31,868
Prince Rupert	5	1,625
Trail	84	29,212
Total	9,388	$3,678,427

Canadian Dredge to Pay Dividend of $1 a Share

A dividend of $1 a share has been declared on stock of Canadian Dredge and Dock Co. payable July 31, 1937, to shareholders of record July 14. The last previous payment was $1 a share plus a bonus of $1 a share on Jan. 2, 1937.

F. W. Grant, president, states that all works under contract are proceeding favorably and that some new contracts, although not large, have been secured since the beginning of the year.

The company showed earnings of $2.12 a share in 1936, compared with $5.02 a share in the preceding year. In explanation of the reduction of last year's earnings, the management explained that the volume of work was much lighter than in 1935 because the company's principal contract was closed down in July.

The remainder of the work stood over until 1937. Owing to the postponement of this work, the company had on hand signed contracts for work in excess of $1 million for the 1937 season.

Staveley Committee Replies to Criticism

Bondholders protective committee for Staveley Apartments, Toronto, has sent a letter to bondholders defending their actions in connection with the recent reorganization of this property. The letter, signed by A. George McHugh, K.C., chairman of the bondholders' committee, is in reply to an anonymous letter sent to bondholders a few days ago.

The committee claims to have been instrumental in raising the return which bondholders are to get from an initial bid of $31,000 to the committee's bid of $52,100, which was accepted by bondholders.

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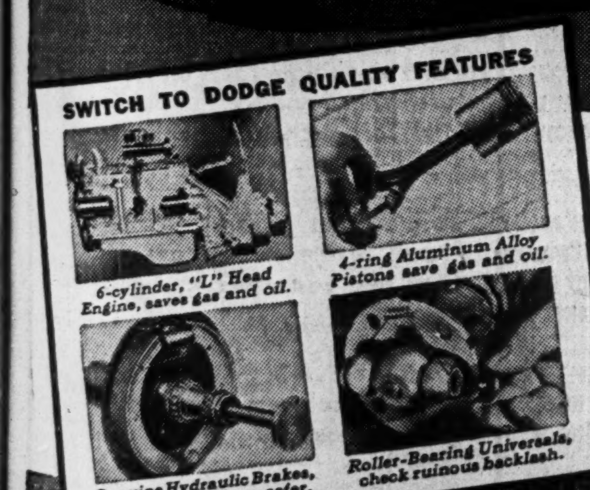
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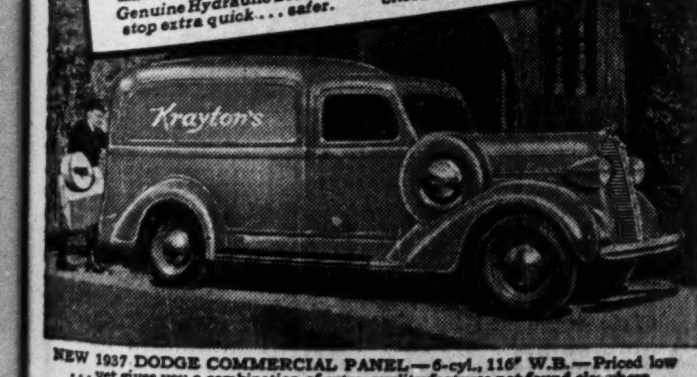

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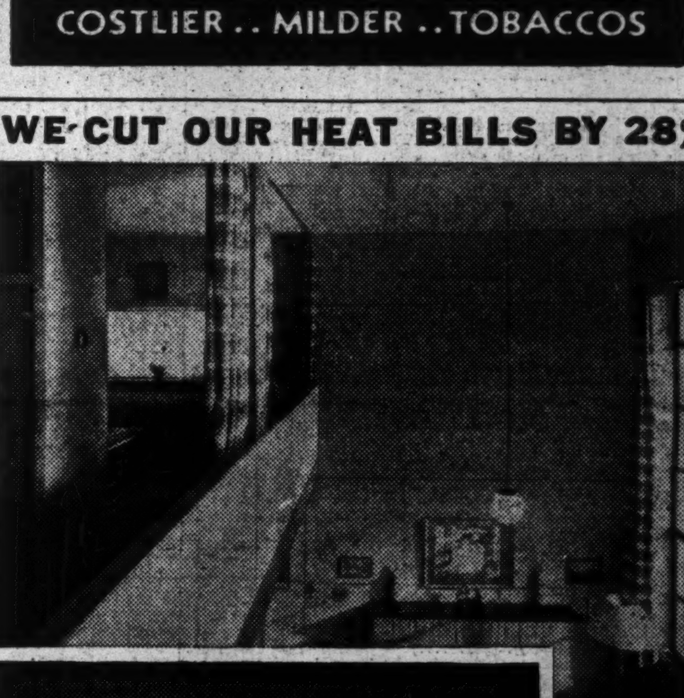

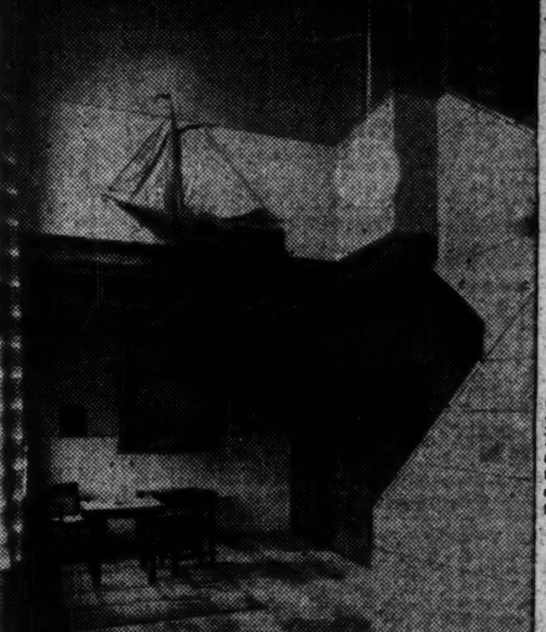

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". . . and TEN/TEST Insulating Board has meant a great saving in fuel cost to us. It's permanent . . . rigid insulation."

A TEN/TEST home is economical. Fuel costs are lower, often up to 30%—and TEN/TEST's other advantages—beauty . . . comfort . . . permanence—make TEN/TEST insulation a worth-while investment. It is so strong . . . so rigid . . . so permanent. It stays in position . . . doesn't sag or slump . . . won't settle around door or window frames or leave empty spaces like some forms of insulation. It's *rigid* board insulation—that's why.

And TEN/TEST *really* insulates. Heat, cold, drafts cannot penetrate. A TEN/TEST home is warmer in winter and cooler in summer. And you'll be surprised at the beauty TEN/TEST can add to your home. It will convert empty, unsightly spaces into cheery, useful rooms—dreary attics into cozy extra bedrooms or studies . . . untidy basements into comfortable playrooms, lounges or hobby shops.

Avoid building mistakes . . . check up on the advantages of TEN/TEST . . . study its economy . . . its permanence . . . its beauty. Consult your lumber dealer . . . and if you plan remodelling, remember the Home Improvement Plan makes it easy for you to finance. You will find many useful and instructive ideas about building, remodelling and renovating in the TEN/TEST Book. Write for a copy—it's FREE.

INTERNATIONAL FIBRE BOARD LIMITED
OTTAWA . . . ONTARIO

TEN-TEST
THE *Lifetime* INSULATING BOARD

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 5

Range 1937 High	Low	Div. Rate $	July 3 Y'ld %	Company	Sales	Last June 28	Week end. July 5 H	L	Cl'se
				A					
15½	5½	.	...	Abitibi	6518	6	6½	5½	6
80	41½	.	...	Do. pref. 6%	1334	56½	59½	57	58½
97	60	.	...	Do. pref. 7%	....	(— bid 60 asked)			
79½	41	.	...	Do. cert. dep.	60	59	59	57½	57½
6¼	4	10c	...	Acadia Sugar	15	4½	4	4	4
18½	9½	50c	5.3	Acme Glove	....	(8½ bid — asked)			
84	75	6.50	8.7	Do. pref.	....	(— bid 75 asked)			
12	8½	40c	4	Agnew Surp.	365	10	10	9½	10
110	105	7	6.6	Do. pref.	35	105½	105½	105½	105½
7	4½	.	...	Alta. Pac. Gr.	25	4½	4½	4½	4½
43½	20	.	...	Do., pref.	60	22½	22	20	20
135	114	.	...	Aluminum	....	(108 bid 110 asked)			
130	130	6+2.75‡	...	Do. pref.	....	(130 Mar. 19)			
7	3	.	...	Amal. Electric	....	(2 bid 4½ asked)			
31	26	.	...	Do. pref.	....	(26 bid — asked)			
35½	25½	15c	...	Amer. Cyn. B.	....	(— bid 40 asked)			
122½	78	.	...	Asbestos	967	80	81	78	79½
15	11	80c	5.4	Assoc. Brew.	620	14½	15	14½	14½
110½	106	7	6.4	Do. pref.	5	110	110	110	110
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 8 asked)			
57	51	42c	...	Do. pref.	....	(— bid 51 asked)			
102½	100	5.50	5.5	Ault & Wiborg pf.	10	100	100	100	100
				B					
60	57	2.25	3.9	Bank of Canada	92	59	59	57½	59
160	148	8	5	Bk. Can. Nat.	....	(159½ bid — asked)			
245	219	8	3.5	Bk. Montreal	116	230	230	225	230
340	305	12	3.6	Bk. N. Scotia	14	328	330	325	325
273	245	10	4	Bk. Toronto	9	250	260	250	250
8	6	.	...	Barcelona	....	(4 bid 7½ asked)			
15	10½	95c	...	Barker's Bread	....	(— bid 15 asked)			
48	43½	2.50	5.7	Do. pref.	....	(— bid 48 asked)			
24½	17	.	...	Bathurst Pr.	1306	18½	18½	18	18½
12½	6¾	.	...	Do. (B)	215	8½	8½	8	8
5½	2	.	...	Bawlf Grain	410	3	3	2	2
38	25	.	...	Do. pref.	....	(— bid 27½ asked)			
10	4½	.	...	Beath & Sons	....	(4 bid 5½ asked)			
21½	14½	.	...	Beatty Bros. A	35	17	18	18	18
112	100	6	5.5	Do., pref.	20	110	107	107	107
105	102	7	6.7	Do. 2nd pref.	....	(100 bid 104½ asked)			
10	5	.	...	Beauharnois	6931	8½	8½	7½	7½
107	100	4	4	Belding Cort.	....	(90 bid 105 asked)			
130	123½	7	5.7	Do. pref.	20	130	126½	123½	123½
178	154	8	4.7	Bell Telephone	1073	168½	170	168	168½
16½	10	25c	...	Biltmore Hats	150	12	12	10	10
110	109½	7	6.4	Do. pref.	25	110	110	110	110
13	8½	.	...	Bissell, T. E.	....	(7 bid 15 asked)			
69	45	.	...	Do. pref.	....	(70 bid 90 asked)			
6½	4	.	...	Blue Ribbon	....	(4 bid 6 asked)			
40	35	2	5.6	Do. pref.	15	36	36	36	36
29½	14½	1.30	5	Brant. Cord. pf.	....	(— bid 25½ asked)			
30½	18½	90c	...	Brazilian Tr.	11427	23½	24	23½	23½
9½	6	1.40+10c	...	Brew. & Distil	10	7	7	7	7
6½	6	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
†82	75½	6	...	Do. pref.	....	(72 bid — asked)			
26½	21½	1+20c	5.1	Brit. Amer. Oil	4655	23	23½	22½	22½
22	16	.	...	B. C. Packers	396	18	18	17	17
39½	34	1.80	5.2	B. C. Power A	420	35	35	34	34½
11½	7	.	...	Do. (B)	65	7½	7½	7½	7½
12	5	.	...	Bruck S. Mills	105	6	5½	5	5
74½	56½	1.40+50c	...	Building Prod.	618	59½	61½	59½	61½
18	14½	70c	...	Burlington Steel	200	15	15	15	15
8	5	25c	...	Burry Biscuit	....	(6 bid — asked)			
60	50	3	6	Do. pref.	....	(50 bid 60 asked)			
44½	39	2	4.9	Burt, F. N.	229	41	41	39	39
				C					
105	100	.	...	Calgary Power	....	(100 bid — asked)			
92	79	6	6	Do. pref.	....	(— bid 90 asked)			
10½	6½	.	...	Canada Bread	....	(6½ bid 7 asked)			
103½	99½	5	4.9	Do. pref.	41	102	103	100½	100½
59½	50	2.50+12½c‡	...	Do. pref. B	1	53	52	52	52
10½	8	40c	...	Canada Bud	395	8½	9	8½	8½
23	14½	.	...	Canada Cement	1229	15½	15½	14½	15½
111	102	2	...	Do. pref.	276	102	103½	103	103½
73½	60	1.50+1	3.5	C. & D. Sugar	....	(— bid 70 asked)			
b38½	23½	.	...	Canada Dry	14600	26½	26	23½	24½
20½	16	.	...	Can. Forg. (A)	5	18	17	17	17
18	14	.	...	Do. (B)	....	(16½ bid — asked)			
31	30	.	...	Can. Iron	....	(34 bid — asked)			
72	66½	5	7.2	Do. pref.	....	(74 bid — asked)			
39	34	1.50+50	5.4	Can. Malting	691	37½	36½	37	37
29½	20	1.20	5.5	Can. Nor. Pr.	50	21	22	22	22
112	106	7	6.4	Do. pref.	14	112	110	109	109
98	82	3	3.6	Can. Packers	15	84	84	84	84
†118	105	.	...	Can. Paper, pf.	....	(112½ bid — asked)			
7	1¾	.	...	Can. Paving, pf.	....	(1½ bid 6 asked)			
160	146	8	5.2	Can. Perman.	73	160	160	154	154
25	25	6	...	Can. Starch	....	(30 bid — asked)			
105	105	7	6.7	Do. pref.	....	(105 bid — asked)			
7	2½	.	...	Can. Steamsh's	139	3½	4	3½	3½
18½	13½	.	...	Do. pref.	119	13½	14	12½	12½
21	17	1.20	6.8	Can. Vinegars	80	17½	18	17½	17½
75	50	.	...	Can. W. Cable	20	62	60	60	60
31	19	.	...	Do. (B)	....	(20 bid 22 asked)			
118	114	2‡	...	Do. pref.	....	(— bid 121 asked)			
6½	4	.	...	Can. Bakeries	....	(4 bid 8 asked)			
73	57	.	...	Do. pref.	35	62	65	60	65
211	183	8	4.2	Can. Bk. Com.	70	190	190	185	185
4	2½	.	...	Can. Breweries	765	2½	2½	2½	2½
21½	14½	2	10.2	Do. pref.	325	19¾	19½	19½	19½
61½	46½	1.50+75c	...	Can. Bronze	....	(46½ bid — asked)			
110	104	5	4.5	Do. pref.	60	109	110	110	110
9½	7½	.	...	Can. Canners	252	8½	8¾	8	8½
20½	18½	1	...	Do. 1st pfd.	335	19½	19½	19	19
12½	10	15c	...	Do. 2nd pfd.	1002	11	11½	11	11½
21½	13½	.	...	Can. Car. & F'y	1043	14½	15½	14½	15
32	23	.	...	Do. pref.	787	25½	26	25½	25½
31	23½	1.60	6.6	Can. Celanese	380	24	24½	23½	23½
126	120	7	5.8	Do. pref.	....	(120 June 26)			
22	21	.	...	Do. rights	....	(21 bid 22 asked)			
32	24	2	8.3	Can. Convert.	5	27½	24	24	24
80	65½	4	5	Can. Cottons	....	(84½ bid — asked)			
108	105	6	5.6	Do. pref.	21	108	108½	108	108½
47	38	2+1	6.6	Can. Dredge	126	42	43½	42	43
101	101	6	5.9	Can. Fairb. p.	....	(100 bid — asked)			
33	23	1.60+40c	...	Can. For. Inv.	5	25	24	24	24
107	105	8	7.6	Do. pref.	....	(105 bid — asked)			
240	203½	6	2.9	Can. Gen. Elec.	....	(202 bid 207 asked)			
12	9½	50c	...	Can. G. Inv.	5	9½	9½	9½	9½
84	71	.	...	Can. Hyd. E. p.	506	78	78	76	76½
8½	4½	.	...	Can. Ind. Alc.	4515	5½	6	5½	5½
7½	4	.	...	Do. (B)	270	4½	4½	4½	4½
249	235	3.50	...	Can. Indust. B.	....	(239 bid 240 asked)			
160	153	7	...	Do. pref.	....	(159 bid 161 asked)			
5	2	.	...	Can. Int. I. Tr.	....	(1½ bid 4 asked)			
99	93	3.75	...	Do. pref.	....	(— bid 97 asked)			
21	17	1	5.9	Can. Lt. & Pr.	....	(— bid 20 asked)			
23½	12	.	...	Can. Locomo.	35	13½	13½	12	13½
3½	1½	.	...	Can. Marconi	1110	1½	1½	1½	1½
19	11	50c	4.2	Can. Oil	70	12	12	12	12
135	115	8	6.8	Do. pref.	100	118	118	117½	117½
17½	12	.	...	Can. Pacific	5395	12½	12½	12	12½
7½	3	.	...	C. Pr. & Pa. In.	....	(1 bid 3 asked)			
27½	18	.	...	Do. pref.	....	(10 bid 18 asked)			
16	7	.	...	Can. Vickers	305	7½	7½	7	7
65	40	.	...	Do. pref.	5	41	40	40	40
25	25	1	...	C. Wallpaper, A	....	(— bid 25 asked)			
27½	24	1	...	Do. (B)	....	(— bid 24½ asked)			
66	66	2	3	Can. West'ho'se	....	(— bid 67 asked)			
4	1½	.	...	Can. Wineries	25	1.75	1.90	1.90	1.90
25	22	2.12½	...	Can. Wire Box	....	(22½ bid 22½ asked)			
9½	6½	.	...	Capital Estates	232	7	7½	7	7
107	100	5	4.9	Carnation, pfd.	30	100¾	101	100¾	100¾
11½	6½	25c	...	Catelli Food	....	(— bid 8 asked)			
11½	10	38c	...	Do. pref.	....	(10 bid 11½ asked)			
3	1½	.	...	Celtic Knit.	....	(1½ bid — asked)			
175	175	8	4.6	Cent. Can. L'n	....	(160½ bid 195 asked)			
1.44	.70	.	...	Chem. Research	300	.80	.70	.70	.70
2.50	.70	.	...	City Gas & El.	340	1.00	.75	.75	.75
.80	.30	.	...	Claude Neon	400	.35	.35	.35	.35
14½	12½	1.08	8.1	Coast Brew.	97	13½	13½	13½	13½
22½	14½	.	...	Cockshutt Plow	965	17	17	16	16½
4	1½	.	...	Comm. Alcohol	500	1½	2	1½	2
4½	3½	.	...	Do. pref.	50	4	3½	3½	3½
23	20	$1+20c	...	Cons. Bakeries	135	20½	21	20¾	21
24½	10½	.	...	Cons. Paper	7744	16½	16½	15½	16½
22	12½	25c	...	Cons. Press	....	(19½ bid 20 asked)			
60	47	.	...	Cons. Sand, pf.	5	60	47	47	47
100½	72	50c+$1	...	Cons. Smelters	2572	76½	78½	75	78½
211	199½	10	5	Consumers' Gas	321	202	201½	199½	200
95½	89	7	7.6	Corr. P. Box, p.	5	92	93	93	93
27½	23	1	4.1	Cosmos Imp.	5	24½	24½	24½	24½
105½	103½	5	4.8	Do. pref.	....	(103½ bid — asked)			
22	18	80c	4	Crown Cork	15	20	20½	20	20
2½	1½	.	...	Crown Dom. Oil	....	(2 bid 2½ asked)			
50	40	3	...	Crow's N. Coal	....	(45 bid 46 asked)			
				D					
5½	4	.	...	David & Fre. A	....	(3½ bid — asked)			
†1.25	.50	.	...	Do. (B)	....	(.15 bid 1.00 asked)			
22½	15	.	...	De Havilland	....	(— bid — asked)			
82	65	.	...	Do. pref.	5	70	65	65	65
10	5	.	...	Disher Steel	....	(3½ bid 9 asked)			
18½	15½	.	...	Do. pref.	....	(11 bid 16½ asked)			
29	20	.	...	Distill.-Seagram	1132	20½	21½	20½	21
94½	92½	5	...	Do. pref.	....	(— bid 98 asked)			
..	..	.	...	Dom. Ang. Inv.	....	(90 bid — asked)			
95	95	5+1.25‡	...	Do. pref.	....	(90 bid — asked)			
250	220	10	4.4	Dom. Bank	10	220½	225	222	225
58½	47	1.20	2.4	Dom. Bridge	653	48½	49½	48	49½
24	19	1.50	7.1	Dom. Coal, pf.	1175	20	21½	19½	21½
77½	59	.	...	Dom. Engineer	35	59½	59½	59	59
37½	29	25c	...	Dom. Foundries	45	34	35	34	35
99	99	6	6.1	Do. pref.	....	(— bid — asked)			
118	110	5	4.3	Dom. Glass	70	110	110	110	110
153	140	7	5	Do. pref.	....	(140 bid 145 asked)			
.10	.10	.	...	Dom. Motors	....	(— bid .10 asked)			
43½	40	.	...	Dom. Oilcloth	....	(39 bid — asked)			
105	105	7	6.7	Dom. Rubber, p.	....	(99 bid — asked)			
5	4	.	...	Dom. Scot. Inv.	....	(— bid 3½ asked)			
44	35	2	...	Do. pref.	....	(39 bid 43 asked)			
22½	12½	.	...	Dom. St. & C.B.	11006	17½	20	16½	19½
12½	9½	.	...	Dom. Stores	105	9½	9½	9½	9½
18½	12	.	...	Dom. Tar & Ch.	275	13	12½	12	12½
117	107	5.50	5.1	Do. pref.	10	108	108	108	108
85	72	5	6.2	Dom. Textile	1020	79	80½	79	80
149	142	7	4.8	Do. pref.	....	(140 bid 149 asked)			
19	13½	.	...	Donnacona P.A.	1170	15½	15½	15	15½
19	13½	.	...	Do. (B)	1480	15½	15½	14½	15
20	13½	.	...	Dryden Paper	430	13½	13½	13	13½
				E					
7	2	.	...	East. Koot. Pr.	....	(2 bid — asked)			
36	12	.	...	Do. pref.	....	(— bid 16 asked)			
5	1½	.	...	East. Dairies	175	2½	2	1½	1½
20	8½	.	...	Do. pref.	325	10	9	8½	9
24	18½	.	...	East. Steel	2	18½	19	19	19
110	106	7	6.4	Do. pref.	6	110	107	107	107
60	60	7	11.7	East. Theat. pf.	....	(56½ bid 64 asked)			
6½	4½	.	...	Easy Washing	200	5½	5	5	5
30	24	1.37½	...	Economic Inv.	....	(25 bid 30 asked)			
24	17½	1.60+10c	...	Electrolux	565	18	17½	17½	17½
8½	4½	.	...	Enam. & Heat.	70	5	5	5	5
37	30	.	...	English Electric	103	32	35	32	35
16½	10	.	...	Do. (B)	375	10	12	10	12
7	5	.	...	Equitable Life	16	5½	5	5	5
10½	9½	30c	...	European El. A.	....	(— bid 9½ asked)			
.65	.65	.	...	Do. Warrants	....	(.65 bid — asked)			
				F					
13	8	.	...	Fairchild Air	360	8½	8½	8	8½
35	24	.	...	Fam. Players	....	(22 bid 26 asked)			
34	25	.	...	Do. Vot. Tr.	17	25	25	25	25
24½	19	25c	...	Fanny Farmer	1400	20	20½	19½	20½
10	10	.	...	Fleet Aircraft	340	10	10	10	10
29½	21½	1	4.5	Ford Motors A	1685	22	22½	21½	22
2½	1	.	...	For. Pr. Secs.	30	1	1½	1	1½
31	23	.	...	Foundation Co.	430	25	24½	23	23½
50	29	.	...	Fraser Cos.	35	43	43½	42	42
50	29½	.	...	Do. Vot. Tr.	2730	43½	44	41½	44
52	44	.	...	Freiman, pf.	25	45	45	45	45
11	6	.	...	Frost Steel	30	6	6½	6½	6½
107	100½	7	6.8	Do. pref.	....	(102½ bid — asked)			
48	40	.	...	Do. pref. A	....	(45½ bid — asked)			
				G					
18½	8	.	...	Gen. St. Wares	460	11½	11½	11½	11½
110	76	.	...	Do. pref.	65	89	91	90	90
92½	82	2.50+2.50	...	Goodyear Tire	130	89	89	84½	84½
57	53	2.50	4.5	Do. pref.	87	54½	54½	54½	54½
26½	13½	.	...	Gt. Lakes Pap.	154	18	17½	16½	17½
51	33	.	...	Do. pref.	345	39	40½	39	39½
3½	1½	.	...	Gt. W. Saddlery	....	(1½ bid 2½ asked)			
40	29½	.	...	Do. pref.	....	(30 bid 37½ asked)			
15½	7½	20c	...	Gurd, Chas.	35	9½	9	9	9
105	95	7	6.7	Do. pref.	....	(100 bid — asked)			
18½	11½	.	...	Gypsum, Lime	1685	12	13½	11½	13½
				H					
18½	11½	.	...	Ham. Bridge	30	12½	12½	11½	12½
90½	63	.	...	Do. pref.	....	(— bid 84 asked)			
40½	30	2+50c‡	6.3	Ham. Cot., pf.	....	(31½ bid 35 asked)			
3½	2	.	...	Ham. U. Theat.	....	(3 bid 3½ asked)			
69	58½	5	7.9	Do. pref.	10	60	63	63	63
7	4½	20c	...	Harding Carpet.	350	5	4½	4½	4½
5	5	.	...	Hillcrest Coll.	....	(2½ bid — asked)			
25	15	.	...	Do. pref.	....	(20 bid — asked)			
22½	19	1	4.9	Hinde & Dauch	125	19	20½	19½	20½
18	14	.	...	Holt Renfrew	....	(14 bid — asked)			
74	56	.	...	Do. pref.	....	(65 bid 74 asked)			
1.75	.50	.	...	Honey Dew	100	.55	.55	.55	.55
15	9	.	...	Do. pref.	10	14	9	9	9
34½	18½	.	...	H. Smith Pap.	1075	28½	28½	27	28½
105	99½	6	5.9	Do. pref.	260	103	103	101½	102
32½	28	2	7.2	Humberstone S.	....	(29 bid 30½ asked)			
19	11½	.	...	Hunts (A)	3	12½	12	12	12
18	12	.	...	Do. (B)	....	(13½ bid — asked)			
95	72	5	5.5	Huron & E. Mt.	....	(92 bid 94 asked)			
15½	11	.	...	Do. 20% pd.	35	13	13	13	13
13½	8½	20c	...	Hydro Electric	....	(7½ bid 8½ asked)			
				I					
251½	220	10	4.4	Imperial Bank	20	220	225	222	223
24½	20	50+75c	6.2	Imperial Oil	7312	20½	20¾	20	20½
15½	13½	40+22½c	...	Imperial Tob.	2728	14½	14¾	14½	14½
7¾	7	6%	...	Do. pref.	....	(7 bid — asked)			
38½	33	1.50	4.2	Indust. Accept.	240	35½	36	36	36
39½	32	1	...	Inter-City Bak.	40	34	32	32	32
46	37½	5+2	...	Inter'c Coal	....	(41 bid 44 asked)			
130	130	8	6.2	Do. pref.	....	(130 Mar. 10)			
†.20	.20	.	...	Int. Coal & C.	....	(.10 bid — asked)			
b16½	8¼	.	...	Int. Hyd. E. A.	6700	10½	10½	9¾	10½
18½	11	.	...	Int. Metal Ind.	225	13	13½	13	13½
108	90½	.	...	Do. pref.	30	96	93	93	93
105	98	5	5.1	Int. Mill., pf.	47	99	99	98	98
73½	54	2	...	Int. Nickel	12695	58	59½	57	59½
11	6	.	...	Int. Paints	....	(5 bid 6 asked)			
20	18	75c	...	Do. pref.	....	(18 bid — asked)			
b24½	16½	.	...	Int. Pa. & P. A.	1000	17	17½	16½	17
b18	10½	.	...	Do. (B)	1100	12	12½	11½	11½
b9½	5½	.	...	Do. (C)	4000	6½	6½	6½	6½
b121½	90½	.	...	Do. pref.	10400	99½	100½	95	98½
39½	33½	1.50+1	7.2	Int. Pete.	*5030	34½	35½	33½	35½
12½	4½	.	...	Int. Power	225	5	5	4½	5
98	86½	6	6.9	Do. pref.	133	89	88	86½	86½
†15½	13	1.12	...	Int. St. Rly. A.	....	(— bid 14½ asked)			
21½	15½	.	...	Int. Util. (A)	25	15½	15½	15½	15½
3.12	1.00	.	...	Do. (B)	655	1.25	1.35	1.25	1.35
				J					
38	34½	1.75	4.7	Jam. Pub. Ser.	25	37½	37½	37½	37½
132	130	7	5.4	Do. pref.	2	130	130	130	130
				K					
39	26	.	...	Kelvinator	....	(26 bid — asked)			
108	106½	7	6.6	Do. pref.	5	106½	106½	106½	106½
				L					
43½	28	.	...	Lake of Woods	215	29	30	28	28
156	143	7	4.7	Do. pref.	....	(— bid 155 asked)			
75	55½	5	7.3	Landed Bank	....	(— bid 69 asked)			
22	15½	70c	3.7	Lang, J. A.	50	18	18½	18	18
6	4½	.	...	Langley's	....	(— bid 5 asked)			
65	50	.	...	Do. pref.	5	50	55	55	55
77	66	3	4.3	Laura Secord	6	72	70	70	70
15	8	.	...	Lindsay, C. W.	85	8	8	8	8
78	66	.	...	Do. pref.	....	(71 bid 75 asked)			
25½	23	1+12½c	...	Loblaw (A)	399	24½	25	24	24½
23	21	1+12½c	...	Do. (B)	605	22½	23	22½	23
				M					
1.80	1.25	.	...	Mackenzie Air.	....	(— bid 1.25 asked)			
†10½	2½	.	...	MacKin. Steel	....	(— bid 9 asked)			
64	60	.	...	Do. pref.	....	(— bid 70 asked)			
37½	27	.	...	Maclaren Pr. p.	1020	32½	32½	29½	30½
3	1	.	...	M. L. Gardens	....	(2½ bid 4 asked)			
5	2½	.	...	Do. pref.	....	(2½ bid 4½ asked)			
11	4	.	...	Maple Leaf	144	5½	5½	5½	5½
12½	6	.	...	Do. pref.	226	6¾	7	6½	6½
17	15½	80+10c	...	Maritime Tele.	....	(15½ June 25)			
16½	16	70c	...	Do. pref.	....	(16 June 25)			
†18	13	.	...	Marcus Loew's	....	(— bid 20 asked)			
125	120	5.25‡	...	Do. pref.	....	(120 bid — asked)			
16½	8½	.	...	Massey-Harris	3666	11½	12	11	11½
74	52½	.	...	Do. pref.	1181	64½	65	61	61
15	8½	40c	4	McColl Fron.	1916	10	10	9½	10
101	86½	6	6.8	Do. pref.	195	90	89½	86½	87½
8	1½	.	...	Melchers	201	1½	1½	1½	1½
9½	5½	30c	...	Do. pref.	273	6½	6½	6½	6
2	1½	.	...	Mercury Mills	....	(2 bid 10 asked)			
40	20	.	...	Do. pref.	5	33	33	33	33
50	48	2	...	Mitchell, J. S.	....	(50 bid — asked)			
†110	110	7	...	Do. pref.	....	(111 bid — asked)			
30	19	.	...	Mitchell, Robt.	69	20½	19½	19½	19½
5½	4½	.	...	Monarch Knit.	....	(4½ bid — asked)			
86	60	7	11.7	Do. pref.	....	(— bid 63 asked)			
48	36	50c	...	Montreal Cot.	....	(47 bid 48 asked)			
110	104½	7	6.7	Do. pref.	10	105	104½	104½	104½
2	1	.	...	Mont. Is. Pr.	50	1.50	2.00	1.25	2.00
37½	29	1.50	5	Mont. L. & Pr.	3152	29½	30½	29½	30
31	28	2	6.4	Montreal Loan	....	(29½ bid 30½ asked)			
17	13	1	...	Mtl. Refrig., pf.	....	(16½ bid — asked)			
2	1½	.	...	Do. Vot. Tr.	....	(2 bid — asked)			
65	58	3.20	5.5	Montreal Tele.	10	58	58	58	58
102	80	9	10.3	Montreal Trams	12	86	87	87	87
45	41½	1.60	3.8	Moore Corp.	105	43	43	41½	41½
190	173	7	4	Do. pref. (A)	5	177	173	173	173
267	250	7	2.8	Do. pref. (B)	....	(240 bid — asked)			
1.25	.60	.	...	Muirheads	35	1.00	.60	.60	.60
5½	5	.	...	Do. pref.	....	(5½ June 22)			
				N					
42½	37½	2	5.2	Nat. Breweries	915	39	40	38½	40
43½	39	1.75	4.4	Do. pref.	175	39½	40	39½	39½
11	8½	.	...	Nat. Grocers	905	9	9½	9	9½
140	135	7+3.50‡	...	Do. pref.	10	136	140	140	140
21½	17	.	...	N. Sew. Pipe A	....	(18½ bid 19 asked)			
57½	39½	.	...	Nat. Steel Car	425	49	49	48	49
210	201	8	4	National Tr.	....	(201 bid 207½ asked)			
54	40	2	4.7	Niag. W. Weav.	176	44	44½	42½	44½
4	1	.	...	North Star Oil	....	(2½ bid 2½ asked)			
4½	3½	35c	...	Do. pref.	5	3½	3½	3½	3½
97½	96	5	5.2	N. S. L. & Pr.	....	(— bid 96 asked)			
105	97½	6	5.8	Do. pref.	....	(103½ bid — asked)			
37	9½	.	...	N. S. Steel, pf.	....	(— bid 20 asked)			
				O					
300	235	8	3.2	Ogilvie Flour	30	250	250	241	250
163	150	7	4.5	Do. pref.	14	155	155	155	155
112	106	5	4.6	Ontario Loan	10	109	109	109	109
7½	4½	.	...	Ont. Silknit	....	(— bid 8 asked)			
71	64	7	10.9	Do. pref.	....	(— bid 58 asked)			
18½	15	.	...	Ont. Steel	....	(11 bid 16 asked)			
115	114	7+5½‡	6	Do. pref.	....	(107 bid — asked)			
3½	1½	.	...	Orange Crush	2	2	1½	1½	1½
10	5½	.	...	Do. pref.	450	6½	7½	6½	7½
100	88	6	6.7	Ott. L. H. & Pr.	10	89	90	90	90
105	102	5	4.8	Do. pref.	5	103	103	103	103
23½	19½	2	8.7	Ott. Traction	10	23	23	23	23
				P					
109½	98	2.75+25c	...	Page-Hersey	137	102	103	101	103
9½	5½	.	...	Pantepec Oil	970	8½	8½	7½	8½
20	15	.	...	Paton Mfg.	....	(10 bid 24 asked)			
†110	100	7	...	Do. pref.	....	(110 Nov. 7, '36)			
63½	58	3	4.9	Penmans	10	60	62½	62½	62½
130	125	6	4.8	Do. pref.	....	(— bid 125 asked)			
25½	21	1	4.3	Photo Eng.	25	23	22½	22½	22½
102	96	7	7.2	Porto Rico Pr. P	....	(100 bid — asked)			
33½	18	25c	...	Power Corp.	1280	19½	20	18	19
108	100	6	6	Do. pref.	25	100	100	100	100
3½	2	.	...	Priarie C. Oil	15	2½	2½	2	2½
36	26	1	...	Pressed Metals	....	(26 bid — asked)			
53	25	.	...	Price Bros.	1786	39	39½	38½	39
79	64½	.	...	Do. pref.	180	66	67	65½	65½
				Q					
25½	17	1	5.6	Quebec Power	225	17½	18½	18	18½
4½	4	.	...	Que. Telephone	30	4½	4½	4½	4½
				R					
58	40	2	5	Real Estate L'n.	....	(— bid 90 asked)			
11	8	.	...	Regent Knit	5	10	9½	9½	9½
23½	19	1.60	7	Do. pref.	....	(22½ bid 23½ asked)			
4	2½	.	...	Reinhardt Brew.	....	(1 bid 2½ asked)			
14½	8	.	...	Reliance Grain	....	(— bid 13 asked)			
29½	22	60+15c‡	...	Remington R'd	....	(— bid 22 asked)			
33	30½	2	6.4	River S. Mills	....	(31½ bid 31½ asked)			
8½	4½	.	...	Rogers Majest.	155	5½	5½	4½	4½
21	26	1	...	Rolland Pap.	....	(— bid 30 asked)			
33	25	.	...	Do. Vot. Trust	....	(— bid 29 asked)			
106½	102½	6	5.8	Do. pref.	30	105	104	104	104
11½	11½	25c	...	Root Petroleum	....	(— bid 10 asked)			
227	158	8	4	Royal Bank	418	202	203	196	200
73	56	2.75	...	Russell Motor	....	(70 bid — asked)			
118	110	7	6.2	Do. pref.	....	(106½ bid 116 asked)			
				S					
103½	98½	5.50	5.5	Saguenay Pr. p.	65	103½	103	99½	103
22	13	.	...	Sarnia Br. (A)	....	(13 bid 16 asked)			
16	7	.	...	Do. (B)	20	7	7½	7½	7½
34	25½	80c	3	Shawinigan Pr.	1116	26½	27	26½	26½
30	23	.	...	Sher. Wms.	40	24	23	23	23
131	126½	7	5.5	Do. pref.	10	126½	127	127	127
16	14	.	...	Simon & Son	....	(13½ bid 15 asked)			
104	100	10.50	...	Do. pref.	10	101	104	104	104
110	95	5	5.1	Simpson, pf.	79	96	98	95½	97½
38	20	.	...	Do. (A)	5	25½	25	25	25
17	6½	.	...	Do. (B)	5	7½	7½	7½	7½
122	109	6	5.2	Simpson, R., pf.	....	(122 bid 125 asked)			
18½	13	80c	5.3	So. Can. Pr.	355	13	13½	13	13
108	104	6	5.7	Do. pref.	23	105	106	105	105
15½	8½	.	...	St. Law. Corp.	2086	12	12	11	12
39½	25	.	...	Do. (A)	2045	33	33	32	33
25	22	1	4	St. Law. Flour	50	25	25	25	25
145	140	7	5	Do. pref.	....	(— bid 140 asked)			
97	68	.	...	St. Law. Pap. p	652	89	86	84½	86
15½	10	.	...	Stand. Chem.	25	14	12½	12½	12½
14½	8	.	...	Stand. Clay	....	(— bid 14½ asked)			
9½	4½	.	...	St. Pav. & Mat.	375	4½	5½	4½	5
56	30	.	...	Do. pref.	15	30	30	30	30
49½	40	3+75c‡	...	Stand. Steel, p.	....	(37½ bid 50 asked)			
96½	73	1.75‡	6.2	Steel of Can.	515	79	80	76	80
88½	71	1.75	2.4	Do. pref.	314	72	73	72	73
5	3½	.	...	Sterling Coal	....	(5 bid 6 asked)			
3½	1	.	...	Stop & Shop	....	(1 bid 1½ asked)			
17	15½	80c	...	Stuart, D. A., pf.	....	(— bid 16 asked)			
3½	3	.	...	Supersilk H.	....	(3 bid 4 asked)			
85	80	2.50	...	Do. pref.	....	(— bid 85 asked)			
39	33½	1+25c	3.6	Sup. Pete., ord.	6	36	36	35	35
36	33	1+25c	3.5	Do. com.	....	(35 bid 49 asked)			
				T					
16½	15½	80c	4.9	Tamblyn	705	16½	16½	16	16½
54	52	2.50	4.7	Do. pref.	....	(52½ bid — asked)			
2½	1½	.	...	Thayers	....	(2 bid 2½ asked)			
25	16½	2.50	...	Do. pref.	....	(— bid 23½ asked)			
2	1	.	...	Thrift Stores	....	(— bid 1½ asked)			
8	5	.	...	Do. pref.	20	6	5	5	5
14	10	60c	...	Tip Top Tailors	25	11	12½	12½	12½
110	104	7	6.4	Do. pref.	62	108½	110	108½	108½
6	2	.	...	Tooke Bros.	....	(3 bid — asked)			
34½	20	.	...	Do. pref.	....	(— bid 25 asked)			
46	35½	1	2.8	Tor. Elevators	125	36½	35½	35½	35½
52	47	66c	...	Do. pref.	2	50	49½	49½	49½
110	86½	4	4	Tor. Gen. Tr.	....	(99 bid 100 asked)			
126	120	6	4.8	Toronto Mtge.	....	(123½ bid — asked)			
160	150	7	4.6	Tuckett Tob. p.	....	(149 bid — asked)			
18	9½	.	...	Twin City	....	(— bid 12 asked)			
				U					
19	13	27½c	...	Union Gas	2296	13½	15½	13½	15½
28	20	60c	...	Un. Amuse. A	....	(22½ bid — asked)			
27	24	60c	...	Do. (B)	....	(— bid 30 asked)			
1.15	.85	.	...	United Distil.	50	.85	.80	.80	.80
62½	46	.	...	United Fuel, pf.	37	46	51	49	51
25	15½	2	11.7	United Secs.	15	16	17	17	17
11½	6	.	...	United Steel	3560	7½	7¾	7	7½
				V					
8	2	.	...	Viau Bisc.	13	2	2½	2½	2½
60	50	5	10	Do. pref.	....	(— bid 50½ asked)			
				W					
35	20	1+25c	3.9	Wabasso Cot.	125	32½	32	32	32
49½	42	2	4.3	Walker-Good.	951	46½	46½	45	46
20	18½	1	5.2	Do. pref.	1115	19	19½	19	19½
3½	1½	.	...	Walkerville Br.	330	1½	2	1½	2½
5	2	.	...	Waterloo Mfg.	250	2½	2½	2½	2½
12	5	.	...	West. C. Flour	....	(6 bid 7 asked)			
90	55	.	...	Do. pref.	10	55	60	56	56
71	65	3	4.3	West. Grocers	....	(70½ bid 80 asked)			
125	115½	7	5.8	Do. pref.	40	117½	120	118½	120
18½	14	80+10c	...	Weston Ltd.	465	14½	14½	14	14½
106½	99	5	5	Do. pref.	20	100	100	99½	100
8	4	.	...	Windsor Hotel	....	(— bid 6½ asked)			
25	11	.	...	Do. pref.	5	11	11	11	11
10½	3	.	...	Winnipeg El. A	376	3½	4½	3½	4
10	3	.	...	Do. (B)	840	3½	4	3½	4
44	23	.	...	Do. pref.	30	24	23	23	23
75	53	.	...	Wood, A. & J. P	....	(62 bid 75 asked)			
85	70	.	...	Woods Mfg. pf.	....	(— bid 75 asked)			
				Z					
7½	3½	.	...	Zimmerknit, c.	140	6½	6½	6½	6½
96	92	*10.50	...	Do. pref.	....	(99½ bid 103 asked)			

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† 1936.

‡ On account of arrears. b New York quotations.

§ Plus extra of $2 paid Feb. 1, 1937.

¶ Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.

* Includes $3.50 on arrears, due Aug. 1, 1936.

Mining Stock Quotations

WEEK ENDING JULY 5, 1937

Par Val.	Range 1937 High	Low	Company	Sales	Close June 28 (or last)	High for week	Low for week	Close July 5
1	.10½	.03	Afton	1,000	.03½	.04	.04	.04
No	1.60	.73	Aldermac	15,250	1.00	1.04	.91	1.04
1	.04½	.01½	Alexandria	9,500	.02½	.02½	.02	.02½
No	8.75	5.00	Anglo-Huronian	420	6.00	6.50	6.25	6.50
1	1.42	.35	Argosy	8,160	.38	.40	.38½	.40
1	1.42	.37	Arntfield	13,550	.40	.40	.38	.40
No	.09	.03	Arno	10,300	.03	.03½	.03	.03
1	.15	.07½	Ashley	......	(.07½ bid .09 asked)			
1	.27	.06½	Astoria Rouyn	22,500	.09½	.09	.08	.08½
50c.	.16	.07	Aztec	800	.09	.09	.07	.09
1	.86	.16½	Bagamac	4,000	.20	.17	.15½	.17
1	1.85	.64	Bankfield	5,867	.80	.80	.70	.75
1	.01½	.01	Barry Hollinger	......	(.... bid .02 asked)			
1	.65	.24	Base Metals	5,000	.30	.30	.24	.30
No	1.75	1.00	Beattie Gold	5,795	1.13	1.20	1.11	1.20
1	.65	.20	Beaulor	2,900	.30	.29	.25	.25
1	1.70	.38	Bidgood Kirk.	52,522	.44	.45	.40½	.40
1	.72	.40	Big Missouri	5,150	.45	.45	.42	.45
1	.29	.12	Bobjo	7,600	.12	.15	.12½	.14
1	1.14	.25	Boussadillac G.M.	9,250	.35	.32	.30	.30½
No	9.60	6.40	Bralorne	855	6.95	7.00	6.65	6.65
1	.15	.05	Brazil Gold	......	(.06 bid .09 asked)			
1	.21	.07	Brett Trethewey	3,100	.07½	.08	.07	.07½
1	.13	.03	Brownlee	......	(.04 bid .... asked)			
1	12.50	8.25	Buffalo Ankerite	965	9.10	9.30	8.90	8.90
No	.06½	.02	Buffalo Can.	9,000	.03½	.03	.02½	.02½
5	30.00	23.50	Bulolo Gold	253	25.00	25.00	24.25	24.25
No	.22	.10	Bunker Hill	600	.11	.12	.11	.12
No	2.30	.87	Can. Malartic	11,000	1.08	1.08	1.00	1.08
1	1.75	1.41	Cariboo Gold	700	1.50	1.45	1.41	1.42
1	.47½	.15	Cartier Malartic	2,200	.18	.18	.16	.18
1	1.88	.91	Castle Trethewey	3,130	1.00	1.03	.99	1.03
1	.65	.25	Cent. Cadillac	5,400	.32	.28	.25	.25
1	.21	.05	Cen. Manitoba	16,300	.05½	.05½	.05	.05
1	5.25	2.10	Cen. Patricia	17,580	2.70	2.70	2.30	2.65
1	.43	.09	Cen. Porcupine	8,300	.10½	.11	.09	.09½
No	1.47	.60	Chromium	7,050	.75	.80	.74	.74
No	.06	.03	Church M. & Mill	8,500	.03	.03½	.03	.03
5	10.00	3.00	Coast Copper	735	3.25	3.90	3.25	3.90
1	.03½	.01	Cobalt Contact	4,000	.01½	.01½	.01	.01½
5	3.50	2.00	Coniagas	17	2.75	2.00	2.00	2.00
No	2.14	1.00	Coniaurum	5,515	1.00	1.20	1.00	1.19
1	2.70	.92	Con. Chibougamau	16,065	1.07	1.07	1.00	1.05
25	100.50	72.00	Cons. Smelters	2,572	76.50	78.50	75.00	78.50
1	2.98	.31	Darkwater	14,200	.48	.53	.46	.48
No	51.12	38.25	Dome Mines	2,858	40.75	41.75	39.00	40.25
1	.16	.04	Dom. Explorers	25	.04½	.08	.08	.08
1	1.22	.40	Dorval Siscoe	14,150	.48	.50	.45	.46
1	.15	.05½	Duparquet	10,750	.07	.09	.07	.07
1	2.05	.65	East Malartic	17,200	.90	.90	.80	.90
1	3.65	2.10	Eldorado	9,810	2.45	2.65	2.40	2.63
No	12.87	7.00	Falconbridge	2,065	7.65	7.85	7.50	7.75
1	.54	.07	Federal	38,050	.12	.12½	.10	.12
No	1.59	.50	Francoeur Gold	11,050	.70	.70	.60	.69
1	.30	.07½	Glenora	2,800	.08	.08	.07½	.07½
1	.65	.29	Gillies Lake	13,300	.33	.35	.30	.30
No	1.02	.40	God's Lake	8,750	.46½	.51	.42	.51
1	.30	.06	Golconda	1,500	.07	.06	.06	.06
1	.49	.18	Goldale	3,300	.21	.22	.19	.19
50c.	.39	.12	Gold Belt	2,000	.19	.21	.21	.21
1	.68	.30	Gold Eagle	4,325	.35	.38	.35	.35
1	.22	.08½	Goodfish	3,800	.12	.11	.10	.10
1	.63	.09	Graham Bosquet	5,600	.13	.14	.11	.13
1	.57	.15	Granada Gold	1,900	.20	.18	.15	.15
No	.18	.06½	Grandora	......	(.07 bid .08 asked)			
1	.18	.10	Grull Wihksne	......	(.... bid .10 asked)			
1	1.25	.55	Gunnar Gold	7,650	.70	.72	.64	.72
1	.07	.02	Halcrow Swayze	1,000	.02	.02	.02	.02
1	3.44	1.00	Hard Rock	19,612	1.25	1.30	1.15	1.30
1	.35	.12½	Harker	7,900	.13	.14	.12½	.14
5	15.50	10.75	Hollinger	1,640	11.25	11.75	11.25	11.50
1	.72	.30	Howey Gold	16,050	.36	.36	.30	.32
No	41.75	25.63	Hudson Bay	2,973	28.25	29.50	27.12	28.50
1	19.25	11.12	Inter. Mining	50	12.00	11.12	11.12	11.12
No	73.25	54.00	Int. Nickel	12,695	58.00	59.50	57.00	59.50
1	.54	.25	Jacola	5,462	.33	.32	.28	.28
1	1.61	.50	Jack Waite	500	.70	.70	.70	.70
1	2.15	.70	Jellicoe	44,360	.96	1.01	.88	.90
1	.59	.18	J. M. Cons. Gold	13,900	.22	.23	.20	.20
1	3.30	1.99	Kerr Addison	42,881	2.35	2.47	2.10	2.47
1	.65	.50	Kerr Lake	150	.50	.50	.50	.50
1	.55	.20	Kirk. Gold Rand.	......	(.25 bid .30 asked)			
1	2.65	1.35	Kirk. Hud. Bay	1,540	1.68	1.70	1.60	1.65
1	1.70	.90	Kirkland Lake	43,886	1.23	1.29	1.10	1.28
1	.55	.19	Kirk. Townsite	2,000	.19	.21	.20	.20
1	1.10	.45	Laguna	......	(.40 bid .50 asked)			
1	59.50	46.50	Lake Shore	3,153	48.50	49.50	48.50	49.50
1	.28	.04	Lamaque Contact	29,600	.05	.05½	.04½	.04½
1	1.33	.58	Lapa Cadillac	5,200	.70	.70	.65	.68
1	1.05	.73	Lava Cap	9,210	.89	.91½	.87	.91½
1	.30	.11½	Lebel Oro	46,200	.14	.17	.12	.16
1	.07½	.03	Lee Gold	7,000	.08½	.03	.03	.03
1	1.35	.45	Leitch Gold	9,000	.55	.55	.50	.50
No	8.40	4.85	Little Long Lac	3,115	4.95	5.25	4.95	5.10
1	8.60	4.15	Macassa	22,175	5.10	5.35	5.00	5.35
1	1.26	.55	Madsen Red Lake	11,700	.62	.66	.55	.66
1	.04½	.01½	Malrobic	3,500	.02	.02	.01½	.01½
No	.69	.20	Mandy	1,200	.23	.25	.22	.22
No	.16	.02	Man. & Eastern	22,000	.02½	.03	.02½	.03
1	.36	.11	Maralgo	5,875	.13	.13	.12	.12
1	.44	.02½	May Spiers	3,500	.03	.03	.03	.03
5	42.25	32.75	McIntyre	2,233	34.75	35.65	34.00	35.65
1	2.03	1.00	McKenzie R.L.	14,550	1.20	1.24	1.03	1.24
1	.65	.50	McKinley	12	.50	.50	.50	.50
No	4.85	1.65	McLeod Cockshutt	17,152	1.95	2.00	1.75	2.00
No	1.21	.35	McWatters	13,000	.45	.46	.42	.43
1	.57	.17	McVittie	10,300	.28	.28	.25	.27
5	2.00	1.50	Mentor Exp. Dev	......	(.... bid 2.00 asked)			
No	5.00	2.70	Mining Corp.	1,850	2.85	3.00	2.75	3.00
No	.33½	.11	Minto Mines	9,300	.12	.15	.12	.15
1	.08	.02	Moffatt Hall	3,100	.03	.03	.02	.02
1	.88	.20	Morris Kirk.	11,600	.23	.24	.20	.22
1	1.97	.95	Moneta	28,206	1.26	1.40	1.15	1.40
1	.45	.14	Montague	......	(.15 bid .16 asked)			
1	.10	.02½	Murphy	2,600	.03½	.03½	.02½	.03½
1	1.05	.30	Naybob	4,700	.35	.37	.32	.37
No	.12	.03½	Newbec	3,500	.04	.04	.03½	.03½
1	1.49	.47	New Golden Rose	3,800	.54	.55	.53	.55
1	.05	.01½	Night Hawk Penn.	500	.01½	.01½	.01½	.01½
5	3.60	2.30	Nipissing	165	2.40	2.50	2.30	2.50
No	83.00	54.50	Noranda	4,648	57.50	60.25	56.50	60.25
No	.95	.64	Nor. Canada	1,150	.70	.70	.65	.70
1	.16½	.05	Norgold	7,000	.05	.06	.05	.05
1	1.75	1.20	Normetal Mining	3,765	1.40	1.50	1.30	1.45
1	13.25	5.50	O'Brien	27,095	6.50	6.95	6.00	6.90
1	1.28	.45	Omega	10,600	.53	.52	.45	.51
1	2.20	.85	Oro Plata	9,400	.90	.92	.85	.88
1	.30	.10	Osisko	500	.15	.10	.10	.10
No	4.05	1.60	Pamour	3,350	2.10	2.10	2.00	2.10
1	1.10	.50	Pandora	2,100	.60	.65	.47	.60
1	.42	.15	Parkhill	3,700	.15	.15	.15	.15
1	3.80	1.90	Pato Cons. G.	5,300	1.95	2.10	1.95	2.10
1	.41	.12	Partanen Gold	......	(.12 bid .15 asked)			
1	.06	.02	Pawnee Kirk.	8,600	.02	.02	.02	.02
1	.49	.13	Paulore	9,000	.13	.14	.12	.14
1	1.38	.49	Paymaster	47,443	.55	.60	.50	.60
1	.54	.22	Payore	9,950	.27	.27	.24½	.24½
1	6.60	2.55	Pend Oreille	9,470	3.60	3.30	3.20	3.30
1	2.51	.70	Perron Gold	15,755	.84	.90	.80	.85
1	.03	.01½	Petersen Cobalt	4,000	.01½	.01½	.01½	.01½
1	9.20	4.90	Pickle Crow	17,125	5.75	5.75	5.10	5.50
1	6.85	3.85	Pioneer Gold B.C.	685	4.00	3.95	3.70	3.70
1	17.00	15.00	Placer Development	80	15.25	15.00	15.00	15.00
1	.11	.03½	Porcupine Crown	5,600	.04	.04½	.04	.04½
1	2.20	.75	Powell Rouyn	2,450	.88	.91	.78	.91
1	4.80	1.95	Premier Gold	4,710	2.30	2.30	2.15	2.40
1	1.47	.65	Preston E. Dome	17,310	.79	.80	.70	.75
No	1.55	1.10	Prospectors Air's	1,700	1.40	1.43	1.40	1.43
1	.85	.40	Quebec Gold	1,800	.40	.40	.40	.40
No	.48	.07	Quemont	200	.10	.07	.07	.07
1	6.85	2.80	Read Authier	7,498	3.45	3.50	2.95	3.30
1	2.60	.41	Red Crest	3,900	.77	.75	.60	.65
1	1.78	.29	Red Lake	22,500	.33	.37	.31½	.37
No	1.52	.70	Reeves McDonald	600	.75	.75	.73	.73
1	1.35	.73	Reno Gold	11,780	.82	.85	.80	.80
1	.22	.07½	Reward	5,900	.09	.08	.07½	.09
1	.16	.04	Ritchie	4,300	.04	.05	.04	.04
1	.12½	.03	Robb Montbray	2,500	.03½	.03½	.03	.03
1	.48½	.09	Roche Long Lac	27,100	.10	.11	.09½	.10
1	2.40	1.25	San Antonio	4,590	1.32	1.35	1.25	1.34
1	1.13	.35	Shawkey	10,000	.50	.50	.47	.50
50c.	.83	.57	Sheep Creek	2,100	.80	.80	.78	.78
1	4.00	1.80	Sherritt Gordon	20,600	2.35	2.55	2.12	2.50
1	6.65	3.05	Siscoe	11,645	3.60	3.50	3.35	3.50
1	2.50	.75	Sladen Malartic	43,400	1.02	1.04	.85	1.02
1	2.50	.50	Slave Lake	2,200	.85	.90	.75	.80
No	.05½	.01½	South Tiblemont	1,000	.02½	.02½	.02½	.02½
No	2.90	.90	Stadacona	100,525	1.15	1.27	1.05	1.27
1	.32	.12	St. Anthony	10,900	.14	.14	.13	.13
No	6.90	3.00	Sudbury Basin	560	3.45	3.45	3.15	3.45
1	.40½	.15	Sudbury Contact	2,100	.19	.18	.16	.16
1	2.25	1.00	Sullivan Cons.	8,214	1.15	1.19	1.10	1.15
1	4.80	2.70	Sylvanite	4,440	2.95	3.20	2.95	3.20
1	.29	.06	Tashota	5,900	.07	.09	.05	.09
1	6.10	4.55	Teck Hughes	8,645	4.85	4.80	4.60	4.90
1	2.15	.47	Thomp. Cadillac	14,200	.58	.60	.53	.54
1	.65	.20	Timiskaming	29,600	.27	.29½	.25½	.29
1	4.60	1.85	Toburn Gold	930	2.15	2.25	2.10	2.25
1	2.00	.73	Towagmac	4,000	.99	.95	.85	.93
1	2.60	.40	Treadwell	......	(.30 bid .45 asked)			
1	.75	.50	Uchi Gold	6,000	.70	.72	.60	.66
No	9.10	6.00	Ventures	2,911	7.00	7.60	7.00	7.05
No	4.65	2.10	Waite Amulet	4,098	2.75	3.00	2.55	2.95
No	.05	.02	White Eagle	1,500	.02½	.02	.02	.02
1	.30	.10	Whitewater	2,000	.10	.10	.10	.10
1	.17	.04	Wiltsey Coughlan	1,000	.04½	.05	.05	.05
1	.77	.30	Wood Cadillac	28,800	.35	.39	.31	.33
No	8.20	5.85	Wright-Hargreaves	14,017	6.00	6.10	5.90	6.10
No	.53	.30	Ymir Girl	900	.22	.24	.24	.24

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close June 28 (or last)	High for week	Low for week	Close July 5
No	.22	.10	Acme Gas & Oil	3,500	.12	.12½	.12	.12½
1	.57	.29	Ajax	100	.38	.30	.30	.30
1	.95	.29	Alta. Pac. Cons.	6,300	.45	.48	.40	.42
1	1.10	.20	British Dominion	200	.35	.34	.34	.34
No	.65	.49	Brown Oil	5,300	.60	.57½	.49	.49
No	6.55	3.00	Calgary & Ed.	12,880	3.35	3.30	3.00	3.05
1	1.75	.40	Calmont	7,805	.90	.85	.80	.80
No	.95	.24	Common Pete	1,500	.42	.41	.35	.35
No	3.60	.55	Dalhousie	10,845	1.10	1.11	.94	.97
No	.45	.10	Eastcrest	5,800	.16	.16	.14	.14
No	3.35	.90	Foothills	1,900	1.45	1.40	1.25	1.25
No	1.20	.20½	Foundation Pete	93,450	.59	.60	.44	.46
No	.39	.16	Hargal	200	.24	.22	.22	.22
No	.90	.15	High Sarcee	8,600	.29	.30	.25	.27½
No	4.05	1.35	Home	15,955	2.38	2.40	2.10	2.20
1	.87	.31	Homestead O.&G.	7,200	.41½	.41	.36	.36
No	.70	.50	Hunter Valley	......	(1.50 May 19)			
No	.16	.15	Do Warrants	......	(.15 May 26)			
No	.90	.20	Lowery	500	.30	.30	.30	.30
No	.63	.26	Mercury	6,000	.41	.39	.35	.37
No	.44	.18	McD. Segur Ex.	2,500	.39	.37	.35	.35
No	.39	.10	Merland	1,400	.14	.14½	.13½	.13½
1	1.15	.38	Model	500	.60	.60	.60	.60
25c	.48	.42½	Monarch Royalties	22,675	....	.48	.42½	.44½
5	.49	.15	Nordon	3,700	.18	.18	.15	.15
No	.12	.04	Oil Selections	3,300	.04½	.04½	.04½	.04½
No	4.10	1.05	Okalta	7,625	2.45	2.45	2.20	2.34
No	.12	.03½	Olga Gas & Oil	1,000	.03½	.03½	.03½	.03½
No	.43½	.10	Pacalta	76,000	.20½	.25	.21	.23
1	.70	.60	Petrol Oil & Gas	......	(.60 bid .64 asked)			
No	60.00	34.50	Royalite	1,278	47.50	47.00	43.00	43.00
No	2.00	.50	South West Pete	200	1.04	.90	.90	.90
1	.68	.25	Spooner Oil	......	(.... bid .39 asked)			
No	2.35	1.50	Texas Can.	1,900	1.75	1.75	1.70	1.70
No	.70	.17	United Oil	18,800	.35	.34	.30	.30
1	2.25	1.00	Vulcan	2,750	2.25	2.15	2.05	2.05

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close June 28 (or last)	High for week	Low for week	Close July 5
50c	.15	.08	Aztec	2500	.08½	.09	.08½	.09
25c	.02	.00½	Bayview	......	(.00½ bid .... asked)			
20c	.04	.01	Beaver Silver	1,000	.01½	.01½	.01½	.01½
1	.70	.42	Big Missouri	5,600	.42	.46	.45	.46
25c	.07½	.01½	Bluebird	30,500	.03	.03	.01½	.02
No	9.00	6.10	Bralorne	490	7.00	6.75	6.60	6.75
1	.07½	.03	Bridge River Cons.	......	(.03 June 23)			
50c	.19	.08	B.R. Mountain Gold	......	(.... bid .10 asked)			
1	.40	.17	B.C. Nickel	9,650	.18½	.20½	.18	.18
1	3.85	1.75	B.C. Silver	500	2.20	2.05	2.05	2.05
50c	.04½	.03½	Canadian Rand	......	(.... bid .02½ asked)			
1	1.79	1.43	Cariboo Gold	1,910	1.50	1.50	1.43	1.45
1	.14	.03½	Congress Gold	12,900	.03½	.04½	.03½	.03½
25c	.05	.01	Cork Province	......	(.01 bid .01½ asked)			
No	.28	.13	Dentonia	5,300	.13½	.14	.13½	.13½
1	.05	.03	Dunwell	......	(.02½ bid .03 asked)			
No	.18	.06	Fairview Amal.	9,725	.08	.08	.08	.08
50c	.69	.38	Fawn Mining	......	(.38 Mar. 18)			
1	.06½	.02½	Federal Gold	25,100	.02½	.03½	.02½	.02½
1	1.43	.38	George Copper	......	(.... bid .40 asked)			
50c	.06½	.02½	George Enterprise	......	(.03½ bid .04 asked)			
1	.05	.01½	Georgia River	......	(.01½ bid .... asked)			
50c	.06½	.01	Glacier Creek	......	(.01 June 5)			
1	.20	.05	Golconda	4,000	.05½	.06	.06	.06
50c	.37	.11½	Gold Belt	2,150	.24	.24	.22	.24
50c	.43	.03½	Gold Mountain	14,300	.04½	.04½	.03½	.04
50c	.30	.11½	Grandview	7,600	.16½	.17	.16	.16½
No	.03½	.01	Orange Mines	500	.02½	.02	.02	.02
1	.18½	.07	Grull Wihksne	5,500	.07½	.08	.07½	.08
No	.05	.00½	Haida Gold	......	(.00½ bid .... asked)			
No	.13	.03	Hedley Sterling	......	(.... bid .02 asked)			
No	.04½	.01½	Home Gold	72,500	.02	.03½	.01½	.03½
1	.04½	.02½	Independence	......	(.03½ Feb. 11)			
1	.08	.02	Indian Mines	2,000	.02	.02	.02	.02
50c	1.18	.55	Island Mountain	700	.70	.65	.65	.65
1	.22½	.21	Inter'l Coal	150	.21	.21	.21	.21
50c	.06½	.03	Inter'l Gold	......	(.03 June 19)			
50c	.90	.75	Kootenay Belle	2,800	.75	.75	.75	.75
20c	.07	.01½	Koot. Florence	4,000	.02	.02½	.02	.02
25c	.04½	.01	Kootenay King	......	(.00½ bid .01 asked)			
1	.03½	.00½	Lakeview	4,000	.01½	.01½	.01	.01
10c	.19	.04½	Lucky Jim	4,700	.05	.05	.04½	.04½
No	.07½	.02½	Mak Siccar	1,000	.02½	.02½	.02½	.02½
50c	.02½	.00½	Marmot Metals	......	(.00½ bid .01 asked)			
1	.19½	.18	McGillivray Creek	......	(.19 bid .... asked)			
50c	.06½	.01	Meridian Min.	......	(.01 bid .02 asked)			
No	.38	.11½	Minto Mines	144,900	.12½	.13½	.12½	.13
50c	.15½	.04	Nicola	9,500	.04½	.04½	.04	.04
50c	.17	.05	Noble Five	29,500	.05½	.06	.05½	.05½
1	6.75	2.65	Pend Oreille	340	3.60	3.65	3.25	3.60
No	.07½	.02½	Pilot Gold	8,000	.03½	.05	.04½	.04½
1	6.75	3.75	Pioneer Gold	1,360	4.00	3.95	3.75	3.80
50c	.15	.04½	Porter Idaho	1,000	.04½	.05	.04½	.05
No	.05½	.01½	Premier Border	15,500	.01½	.02	.02	.02
1	4.80	1.95	Premier Gold	6,000	2.35	2.55	2.25	2.55
1	.15	.03	Quatsino Copper	2,000	.03½	.04	.03½	.03½
25c	.17	.07	Quesnelle Quartz	1,300	.07	.07	.07	.07
1c	.08½	.02	Reliance	30,500	.02	.02½	.02	.02
1	.37	.12	Relief Arlington	2,300	.18	.18	.17	.17
No	1.90	.67	Reeves McDonald	200	.70	.67	.67	.67
1	1.31	.75	Reno Gold	1,400	.83	.82	.79	.79
1	.20½	.06	Reward Mining	15,900	.09	.09½	.07	.09½
1	.09½	.02½	Rufus Argenta	4,000	.02½	.02½	.02½	.02½
1	.11½	.02½	Ruth Hope	2,000	.02½	.02½	.02½	.02½
1	.12	.04	Sally Miner	700	.05	.04	.04	.04
50c	.15	.08	Salmon Gold	100	.08½	.09	.09	.09
50c	.83	.58	Sheep Creek	5,200	.77	.79	.77	.77
1	3.20	2.50	Silbak Premier	......	(2.00 bid 2.15 asked)			
25c	.14½	.04	Silvercrest	600	.05	.04½	.04	.04
20c	.10	.01½	Silversmith	......	(.01½ bid .... asked)			
1	.63	.40	Standard Silver	......	(.40 June 14)			
1	.75	.20	Sunloch	500	.20	.20	.20	.20
10c	21.00	19.75	Sunshine	......	(19.75 Apr. 6)			
No	.13	.04½	Taylor Bridge	......	(.... bid .05 asked)			
No	1.05	.30	Vidette Gold	600	.35	.40	.35	.40
No	.06½	.00½	Viking Gold	23,000	.01½	.01½	.00¾	.00¾
50c	.03	.00½	Waverley Tangier	4,000	.01	.00¾	.00½	.00½
20c	.13½	.03½	Wellington	2,500	.03	.03½	.03	.03½
50c	.50	.15	Wesko	15,300	.16	.17	.16	.16
1	.42	.10	Whitewater	10,600	.12	.12	.10½	.11
No	.50	.25	Ymir Yankee Girl	1,000	.25	.23	.23	.23

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close June 28 (or last)	High for week	Low for week	Close July 5
1	1.00	.26	Alta. Pac. Cons.	11,090	.46	.45	.42	.43
1	.14½	.06	Amalgamated	3,700	.06	.06½	.06	.06
No	.45	.07	Associated Oil	......	(.20 June 24)			
No	.24	.04½	Baltac	2,000	.07½	.08	.07½	.07½
1	1.05	.15	Brit. Dominion	......	(.43 June 18)			
No	6.50	2.15	Calgary and Ed.	5,176	3.30	3.20	3.05	3.10
1	1.34	.43	Calmont	7,425	.86	.84	.80	.80
1	.90	.26	Commonwealth	3,500	.43	.42	.40	.42
1	.13	.05	Crow's Nest	1,000	.05	.05	.05	.05
No	3.55	.71	Dalhousie	1,150	1.05	1.00	.95	.95
No	.24	.05	Devenish	1,600	.08	.08	.07	.07
No	.45	.13½	Eastcrest	......	(.... bid .16 asked)			
No	.96	.23	Foundation Pete.	46,100	.57	.56	.45	.45
No	.44	.09	Freehold	7,600	.14	.13	.12½	.12½
No	.40	.10	Hargal	1,100	.25	.21	.22	.22
No	.91	.14	High Sarcee	6,800	.26	.25½	.25½	.25½
No	4.10	1.50	Home Oil	625	2.34	2.30	2.10	2.10
No	.88	.21	Lowery Pete	1,000	.30	.29	.29	.29
No	.35	.04½	Madison	24,300	.11	.10½	.09½	.09½
No	.50	.15	Marjon Oil	6,000	.24	.22½	.22	.22
No	.75	.15	McD. Segur Ex.	19,300	.38½	.35½	.33	.33
1	1.60	.40	McLeod	700	.55	.55	.50	.50
No	.83	.32	Mercury	15,550	.38	.38	.35½	.35½
No	.39	.12	Merland	2,000	.13	.13	.13	.13
No	.66	.16	Mill City Pete	5,000	.29½	.29	.27	.27
No	.65	.05	Midwest Pete	......	(.10 June 26)			
1	1.15	.44	Model	1,800	.64	.60	.57	.57
25c	.43	.35	Monarch Royal.	......	(.42½ bid .44 asked)			
5	.48	.15	Nordon	3,300	.16	.16	.16	.16
No	4.00	.85	Okalta	6,250	2.37	2.35	2.15	2.15
No	.44	.11½	Pacalta Oil	6,700	.20	.20	.20	.23½
1	1.50	.10	Ranchmen's	29,000	.21	.25	.19	.19
No	[illegible]	34.00	Royalite	75	42.00	45.50	44.00	45.00
No	2.00	.43	Southwest Pete	......	(.90 June 24)			
No	.75	.25	Spooner	500	.28	.30	.30	.30
No	.73	.16½	United	16,500	.22½	.32	.30	.30
No	.23	.05	Vanalta	1,000	.12	.11	.11	.11
1	3.05	.95	Vulcan	......	(2.05 bid 2.10 asked)			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 5, 1937

Public Utility Issues	Int. Rate %	Due	Bid July 5	Asked	Bid June 28
‡Assoc. Tel. & T.	5½	'55	80½	82½	79
▲Avalon Tel.	5½	'45	101½	104½	101½
Beauharnois P.	5½	'73	60	63	61
‡Bell Telephone	5	'55	113½	115½	113½
‡Do.	5	'57	118½	121½	118½
B. C. Power	4½	'60	99	102	98½
B. C. Tele.	4½	'61	104½	107½	104½
‡Calgary Power	5	'60	96	99	96
‡Do.	5	'64	94½	97½	94½
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	92	95	91½
‡Gatineau Pwr.	5	'56	101	104	101
‡Do., A	6	'41	101	104	100½
‡Do., B	6	'41	101	104	100½
Gt. Lakes Pwr.	4½	'56	93½	96½	93½
‡Inter. Hydro-El.	6	'44	75½	78½	74
‡Inter. Power	5	'57	97	100	97
‡Do.	6½	'57	99	102	99
▲Do.	6	'55	101	104	101
†Maclaren-Que. Power	5½	'61	99½	102½	99
†Do.	5½	'64	99½	102½	98½
†Mtl. Island Pr.	5½	'57	103½	106½	103½
†Mtl. L. H. & P.	3½	'56	99	102	99
†Mtl. Tramways	5	'41	99	102	99
†Do.	5	'55	74½	77½	74½
Nfld. L. & P.	4½	'56	99	102	99
Nat'l L. & P.	6	'49	94	96	95
N. S. L. & Pr.	4	'57	97½	100½	97½
†Ot'wa L. H. & P.	5	'57	105	108	105½
†Ottawa V. Pwr.	5½	'70	104	107	104
†Power Corp.	4½	'59	97½	100½	98
‡Quebec Pwr.	5	'68	103	106	103
Saguenay P. B.	4½	'66	102	105	102
*Do., A	4½	'66	100	103	100
†Shaw. W. & Pr.	4	'61	98½	101½	98
†Do.	4½	'70	103½	106½	103
†United Secs.	5½	'52	73	76	72½
†West. Pwr. Co.	5	'49	104	107	104
‡Wpg. Elec., A	4	'65	71	74	72
‡Do., B	4	'65	58	61	58

Industrial and Realty Issues:

Company	Int. Rate %	Due	Bid July 5	Asked	Bid June 28
†Abitibi P. & P.	5	'53	95½	96½	95
Acadia Sugar	4½	'55	99½	102½	96½
B. A. Oil	4	'45	102	105	102½
Canada Bread	6½	'41	107½	110½	107½
†Canada Cement	4½	'51	104	107	103½
†Canada Paper	4½	'52	97	100	97
Can. Steamship	6	'41	61	64	62
Can. Canners	4	'51	99½	102½	99
Can. Bakeries	6½	'45	100½	...	100½
‡Can. Inter. Pap.	6	'49	101	104	100½
C. P. R.	3½	'51	99	102	99
Do.	4	'49	102	105	102
Do.	4½	'44	102	105	101½
Do.	4	Perp.	94	97	94½
†Can. Vickers	6	'47	99	102	98
†Consol. Paper	5½	'61	88	91	87
‡Dominion Coal	6	'55	100½	103½	101½
Dom. Sq. Corp.	6	'48	....	....	70
▲Dom. Stl. & C.	6½	'55	111	114	103
Dom. Tar	4½	'51	100	103	100
Dom. Textile	4½	'55	105½	108½	105
†Donnacona P.	4½	'56	83	86	84
†Famous Players	4½	'51	97	100	98
†Fraser Cos.	6	'50	103	106	103
†Gen. Stl. W.	4½	'52	95½	98½	95½
Great Lakes P.	5	'55	95	98	94½
†Gypsum, Lime.	5½	'48	101	104	101
†Gr. Br. & Can. Invest.	4½	'59	86	89	87
Hamilton Cot.	5½	'48	103	...	103
Ham. By-Prod. Coke	5	'50	98	101	98
Do.	6	'56	98	101	98
†Inter. Paper	6	'55	96	99	96
†Inter. P. & P. Nfld.	5	'68	102	105	102
Inter City Bak.	5½	'48	103	106	103½
†Kingston Elev.	6	'50	99	102	99
Lake St. John P. & P.	5½	'61	100	103	100
Do.	5	'61	81½	84½	81½
†Lond. Can. Inv.	4½	'48	94	97	93½
†Massey-Harris	5	'47	97	100	97
†McColl-Front.	6	'49	102½	105½	102
†Mersey Paper	6	'49	98½	101½	99
†M. & O. Paper	6	'45	65	68	65
Mtl. Dry Docks	6	'48	91	94	90
Nat'l. Grocers	4	'47	99½	102½	99
†N. A. Elevators	6	'50	95	98	96
Nor. Ont. Bldg.	6½	'39	97½	100½	97½
†Price Bros.	5	'57	99½	102½	99
‡Prov. Paper	5½	'47	102½	105½	102½
Queen's Hotel	6	'47	99	102	99
‡Reliance Grain	4½	'52	97½	100½	98
†Restigouche Co.	6	'48	113½	116½	114
Rich. Bay Bldg.	6½	'47	97½	100½	98
†Rolland Paper	5½	'51	102½	105½	102½
Ruddy & Co.	6½	'48	98	101	98
†Simpsons Ltd.	4½	'51	95½	98½	94½
†Smith, Howard	4½	'51	103½	106½	103
†Steel of Canada	6	'40	110	113	110
Sterling Coal	6	'40	94	98	94
*Twin City	5½	'52	77	80	78
United Amuse.	5	'56	98½	101½	99
United Corp.	5	'53	98	101	98
Union Gas	4½	'50	99	102	99
▲Wabasso Cot.	4½	'51	97	100	97
Windsor Hotel	6½	'43	81	84	80
Do.	6	'47	42	...	42

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co. Toronto)

July 5, 1937

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	3.50	4.50
Do., pfd.	4.00	5.00
Acme Farmers Dairy, pfd.	47.00	....
Algoma Steel, com.	13.50	15.00
Do., pfd.	70.00	....
Andian Nat. Corp.	48.50	49.00
Assoc. Tel. & Tel., pfd.	40.00	42.00
B. C. Pulp & Paper, pfd.	88.00	90.00
Do., com.	24.00	25.00
Brandram-Henderson, com.	6.00	....
Do., pfd.	17.50	....
Burns & Co., A	10.00	12.00
Do., B	5.10	6.00
Canada & Dom. Sugar	69.50	70.00
Canada Starch, com.	20.00	....
Do., pfd.	107.25	....
Can. Tube & Steel, pfd.	75.00	77.00
Do., com.	7.75	9.00
Can. Wire & Cable, pfd.	113.00	115.00
Can. Airways	5.75	6.00
Can. Industries, A com.	239.50	....
Do., B com. X.D.	237.00	240.00
Do., 7% pfd. X.D.	154.00	157.00
Can. Ingersoll Rand	129.00	132.00
Can. Western Lumber, com.	1.15	1.30
Can. Westinghouse	61.50	62.00
Chase, A. W., pfd. bonus	20.00	22.00
Claude Neon Gen. Adv., pf.	13.75	15.00
Conduits Nat., com.	5.25	6.00
Crescent Creamery, pfd.	34.50	36.00
Dom. Found. & Steel, new c.	36.00	37.00
Do., pfd.	97.50	100.00
Dominion Woollens, com.	.80	1.00
Do., pfd.	3.75	4.00
Dunlop Tire, pfd.	84.25	87.00
Federal Grain, com.	3.00	3.75
Do., pfd.	42.50	44.00
Goderich Elevator	5.50	6.50
Greening Wire, pfd.	103.50	106.00
Guelph Carpet, pfd.	105.50	107.00
Do., com.	25.25	....
Hayes Steel Prod., com.	12.00	13.00
Do., pfd.	8.00	9.00
Highland Dairy, com.	2.25	....
Inter City Baking, com.	31.00	34.00
Inter. Met. Indust., A pfd.	90.00	94.00
Lake Sulphite Pulp, com.	23.00	24.00
Loblaw's Inc. (U.S.) Units	76.00	....
McCormick's, com.	5.00	5.75
Do., pfd.	14.00	....
Mercury Mills, com.	3.00	6.00
Morrison Brass, pfd. bonus	12.00	15.00
Mount Royal Hotel, pfd.	3.50	4.25
New Meth. Laund., pf. bon.	92.00	96.00
Perfection Pete., pfd.	20.00	22.50
Provincial Paper, pfd.	106.50	107.50
Reliance Grain, com.	12.25	14.00
Do., pfd.	97.25	98.00
Rob. Consol. Cone	10.25	11.00
Ruddy, E. L., pfd.	....	34.00
Seal O Sac (Can.)	14.00	15.50
Silverwoods Dairies, com.	1.70	....
Do. pfd.	4.50	....
Standard Fuel, com.	6.10	7.00
Do., pfd.	99.00	101.00
Supertest Pet., B pfd.	26.25	28.00
Toronto Carpet, com.	54.00	....
Do., pfd.	60.00	....
United Steel, A pfd.	19.00	19.75
Western Grain, pfd. bonus	9.00	11.00
Weston (Geo.) Foods (Eng.)	3.00	3.50
Wings Limited	1.00	1.15
Trusts and Loan Stocks:		
Chartered Trust	96.50	102.00
Commercial Finance, com.	2.70	2.90
Guelph Ont. Inv., par $50.00	49.75	52.50
London & West. Trust	33.50	36.50
Prudential Trust	5.00	6.00
Sterling Trust	40.00	....
Traders Fin., A com.	21.25	22.00
Do., B pfd. bonus	95.25	98.50
Trusts & Guarantee	29.50	31.00
Insurance Stocks:		
Canada Life	540.00	....
Canadian Ins. Shares	16.00	....
Confederation Life, 20% pd.	115.00	118.00
Dominion Fire	134.00	....
Dom. of Can. Gen.	134.00	140.00
Empire Life, 25% pd.	12.50	13.00
Federal Fire, 25% pd.	37.00	42.00
Great West Life	327.00	345.00
Guar. Co. of N. A., fully pd.	300.00	320.00
Do., 20% pd.	57.00	....
Imperial Life	350.00	360.00
Manufacturers Life	280.00	290.00
Monarch Life, 10% pd.	24.50	27.50
Sovereign Life, 25% pd.	16.25	18.00
Sun Life	[illegible]	[illegible]
Western, com.	40.50	[illegible]
Do., pfd	40.00	[illegible]
Theatre Stocks:		
Allens Kingston, pfd.	68.00	....
Do., Parkdale, pfd.	64.00	....
Do., St. Catharines, pfd.	62.00	....
Do., Tor., 7% pfd. bon. c.	30.00	32.00
Loew's London, pfd.	3.00	3.75
Do., Toronto, pfd.	118.00	....
Mansfield Theatre, pfd.	29.00	[illegible]
Paramount Kitchener, pfd.	58.00	[illegible]
Do., Oshawa, pfd.	90.00	[illegible]
United Amusement, A	22.50	25.00
Do., B	22.00	[illegible]
Investment Trust Shares:		
Can. Gen. Invest. (Div. 50c)	9.00	10.00
Can. Investment Fund	4.40	4.75
Can. Invest. Corp. (Div. 40c)	8.50	9.00
Cons. Div. Std. Sec. Units	23.00	24.00
Investment Found., p. bonus	59.00	61.00
Lon. Can. Invest., com.	4.25	4.50
Sec's. Hold. Corp., pfd. bon.	20.00	22.00
United Corpns., A	22.50	24.00
Do., B	21.00	22.00
Power Issues:		
Abitibi Pwr. & Paper, pfd.	69.00	73.00
Calgary Power, pfd.	88.00	91.00
Can. West. Nat. Gas, pfd.	90.50	93.00
Do., com.	24.00	....
Foreign Power Sec's., pfd.	8.50	11.00
Great Lakes Power, pfd.	96.50	100.00
Inter. Util., $1.75 pfd.	15.00	18.00
Montreal Island Pwr., pfd.	14.50	16.00
New Brunswick Tele., com.	13.75	14.50

Unlisted Mines

July 6, 1937

	Bid	Asked
Alden Gold	.41	.44
Albany River	.32	.35
Algold	....	.18
Am. Gold	.10	.13
Armistace	.02	.03¼
Arno	.15	.18
Athona	.02½	.03
Area	.11	.13
Augite	.03½	.04
Big Master	.15½	.17
Barber Larder	.02	.03
Bathurst	.03½	.04½
Bidlam'qu	.03½	.09
Bilmac	.01¾	.02
Baldwin	.01½	.02
Bousquet	.06	.06½
Cuniptau	.05	.06
Cald. Bous.	.03½	.04½
Cal. Flin Flon	.08½	.10
Can. Pan.	.02	.02¼
Can. Kirk.	.24	.27
Cooke Lake	.03	.04
Cres. Kirk.	.13	.14
Dawson White	.10	.12
Dem. Cad.	.38	.40
Dennison Nick.	.31	.34
Desantis	.27	.31
Doreva	.15	.17
Delosha	.05	.06
Dunlop N.	.07	.09
El Bonanza	.07	.09
Electra	.08	.10
Eva Lake	.14	.16
Elmes	.32	.37
Faulkenham	.13	.18
Fernland	.18	.23
Fleming	.01¼	.01¾
Franklin	.09	.11
Frontier	.03	.03½
Galatea	.01½	.02½
Garnet	.06	.07
Gate. Pat.	.01¾	.02
Gilbec	.02	.03
G. Range	.03¾	.04
Goldside	.38	.41
Gold Gate	.07	.09
G. Lebel	.03½	.04
Hud. Pat.	.09	.10
Hislop	.01¾	.02¼
Horseshoe	.18	.19
Hut. Lake	.11	.13
Hugh Pam.	.04½	.05
John Nip.	.08	.10
Jedder	.07	.09
Kaw Crow	.11	.13
Kenecho	.38	.42
Kenricia	.33	.38
Kaw'gama	.01½	.02½
King Kirk.	.13	.15
Kir. Vit.	.01½	.02
Kirk. Hun.	....	.11
Kirk Gate	.01½	.02½
Lafayette	.59	.61
Lake Geneva	5.80	6.00
Lamaque	.04	.05
Lardego	.04½	.05
McCuaig	.13	.15
Mag Con.	.01½	.03
Manco	.15	.20
Malartic	.03	.04
McNeeley	.61	.63
Martin Bird	.28	.30
Margaret	....	.18
Maritime	.11	.13
Mat Can.	.05	.06
Moffatt N.	.07	.07½
McFarlane	.18	.20
McCarthy Webb	.03½	.04½
McVittie	.05½	.07
Monarch	.10	.15
Mooshla	.24	.26
Mosher	.13½	.14½
Norlake	.02¾	.03¼
North Shores	....	.06
Minerals	.14	.16
Oklend	.07	.08
O'Leary	.12	.15
Opem. Copper	.07½	.08¾
Oriole	....	.03
Ossian	....	.43
Osoyoos	.32	.34
Pascalis	.04	.06
Porc. McNabb	.05	.07
Porc. United	3.20	3.75
Plains Porc.	....	.01¾
Porc. G. Reef	....	.02¼
Potterdoal	.01½	.15
Porc. Triumph	....	.08
Pontiac Rouyn	.06½	.08
Pelangio	.10	.11

Winnipeg Stocks

(Transactions from June 26 to July 2)

	Sales	High for period	Low for period	Close July 2
Cres. Cream., p.	3	37.00	37.00	37.00
Dickstone Cop.	4,200	.12	.09½	.11
Flin Flon	11,900	.05	.05	.05
Gurney	5,100	.30	.25	.25
Gold Lake	2,000	.02½	.02½	.02½
Monarch Gold M.	685	1.15	1.00	1.15
Marvel Oils	2,000	.06	.06	.06
Ore Grande	1,000	.03	.03	.03
Sovereign Life	30	16.00	16.00	16.00
Pine Lake	200	.07	.07	.07
Sachigo	130	9.75	9.50	9.50
Star Lake	2,300	.02	.01½	.01½
United Grain	3	10.25	10.25	10.25
Wylie Dom.	4,900	.25	.20	.20
Wingold	1,000	.04	.03	.04
Wpg. R. Tin	1,000	.01½	.01½	.01½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	125	100
Can. Indemnity	93½	91½
Dom. Envelope, pref.	..	44
Federal Grain, pfd.	33	35
Home Investment	3	..
Northern Can. Mtge., pf.	..	2
North. Mtge., part pd.	..	82
Traders Bldg.	9	12
West. Steel, pf.	..	..

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ended July 5, 1937

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	50½	50½

UNLISTED MINES (Continued)

Planet	.22
Quemartic	.60
Que. Man.	.18
Rajah	
Richmac	.03
Ribago	
Roseanor	.04
Schreiber	.14
Shenango	
Skookum	.10
Siscoe Ex.	.02
Smelters	.09
Spooner	.23
Sturgeon River	.04
Springer	.10½
Straw L. B.	.24½
Sun Bear	.04
Tonawanda	.13
Upper Can.	.12
Wascana	.09
Williamson	.11½
Wesley	.02½
Westside	.03
West R. L.	.06
White Horse	
Woco	.10
Wendigo	.08
Winoga	.14½
Young D.	.06
Ypres Cad.	

Government Bonds

Dominion of Canada Bonds

July 7, 1937		Bid	Asked	Approx. Yld.
2	15 Nov. '38	101.25	101.75	1.28
2½	15 Oct. '39	102.25	102.75	1.30
4	15 Oct. '39	105.65	106.15	1.22
1½	1 June '40	100.10	100.60	1.29
4½	1 Sept. '40	108.15	108.65	1.68
1	15 Mar. '41	97.85	98.35	1.46
5	15 Nov. '41	111.15	111.65	2.20
3	15 Oct. '42	103.50	104.00	2.19
2½	1 June '43	101.25	101.75	2.19
5	15 Oct. '43	112.15	112.65	2.61
4½	15 Oct. '44	110.15	110.65	2.87
•2½	15 Aug. '45	99.15	99.65	2.55
4	15 Oct. '45	106.50	107.00	▲2.78
4½	1 Feb. '46	110.00	110.50	3.10
3½	1 June '49	100.50	101.00	▲3.12
3½	15 Oct. '49	102.00	102.50	▲3.11
4	15 Oct. '52	106.25	106.75	▲3.24
3	1 June '55	96.50	97.00	3.22
4½	1 Nov. '56	109.15	109.65	▲3.31
4½	1 Nov. '57	109.25	109.75	▲3.39
4½	1 Nov. '58	109.85	110.35	▲3.40
4½	1 Nov. '59	110.15	110.65	▲3.43
•3¼	15 Jan. '61	99.00	99.50	3.28
3¼	1 June '66	97.85	98.35	3.34
▲3	Perp. bds.	87.00	87.50	3.43

Dominion Guaranteed Bonds

Canadian National Railway:				
3	1 May '44	102.00	103.00	2.52
3	15 Dec. '50	96.50	97.50	3.23
3	15 Feb. '53	95.00	96.00	3.32
*4½	1 Sept. '51	112.75	113.75	3.30
*4½	1 Feb. '56	113.00	114.00	3.48
†4½	1 July '57	112.00	113.00	3.56
*4¾	15 June '55	115.00	116.00	3.54
5	1 Feb. '54	116.00	117.00	3.65
*5	1 July '69	115.00	116.00	▲3.10
*5	1 Oct. '69	117.25	118.25	▲3.51

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54	100.50	101.50	3.88
†4½	15 Apr. '61	104.25	105.25	4.15
†5	15 Jan. '60	109.00	110.25	4.30
Nova Scotia:				
3	2 Sept. '45	97.00	98.50	3.20
4½	15 May '43	106.50	107.50	3.13
†4½	15 Sept. '52	108.00	109.00	▲3.46
†5	1 Mar. '60	115.50	116.50	3.90
Ontario:				
3	1 Dec. '51	95.00	96.00	3.35
*4	1 June '62	106.00	107.50	3.55
4½	1 June '50	110.00	111.00	3.44
*4½	15 Jan. '62	112.50	114.50	3.61
5	15 Oct. '48	113.75	114.75	3.44
*5	2 Dec. '60	118.00	119.50	3.75
5½	1 July '46	115.50	116.50	3.36
Ont. Hydro Comm.:				
3½	1 Apr. '47	101.50	102.50	3.20
4¾	1 Jan. '70	115.00	116.50	3.85
Prince Edward Island:				
3	1 Oct. '45	97.00	98.50	3.20
Quebec:				
4	15 Mar. '52	105.00	106.00	3.48
4¼	1 Aug. '58	108.50	109.50	3.60
4½	2 Jan. '63	110.00	111.00	3.82
Alberta:				
4	15 Dec. '54	56.00	58.00	§
†4	1 Dec. '57	56.00	58.00	§
4½	1 Oct. '51	67.00	70.00	§
†4½	1 Oct. '56	57.50	59.00	§
†5	1 Jan. '48	58.00	60.00	§
5	1 Sept. '55	58.00	60.00	§
*5	1 Oct. '59	58.00	60.00	§
†5½	1 Jan. '47	60.00	62.00	§
6	1 Mar. '47	64.50	66.50	§
British Columbia:				
†4	1 Dec. '57	91.00	92.50	4.57
*4½	15 Jan. '51	97.25	98.25	4.67
†4½	1 Oct. '53	96.75	97.75	4.70
†5	15 Jan. '48	99.50	101.00	4.90
5	1 Sept. '53	99.25	100.50	4.95
5½	1 Feb. '45	101.50	103.00	5.03
6	15 Feb. '47	103.50	104.50	5.40
Manitoba:				
4	2 Jan. '50	78.00	82.00	6.07
†4	1 Dec. '57	79.50	82.00	5.47
†4½	15 Dec. '56	85.00	88.00	5.51
†5	15 June '54	91.00	94.00	5.55
*5	2 Dec. '59	91.00	94.00	5.46
5½	1 Oct. '55	94.50	96.00	5.85
6	1 Apr. '47	97.25	98.25	6.24
Saskatchewan:				
4	15 Aug. '53	66.00	68.50	7.31
4	1 Nov. '60	64.00	66.00	6.95
*4½	2 July '45	80.50	83.00	7.35
†4½	1 Oct. '51	81.00	83.00	6.30
†4½	15 Mar. '60	71.00	75.00	6.63
5	1 Aug. '58	75.00	78.00	7.00
†5½	15 Nov. '46	82.00	85.00	7.76
5½	1 Oct. '52	82.00	85.00	7.11
6	15 Mar. '53	83.00	86.00	7.58

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Payable N.Y. ‡Callable or or after Sept. 15, 1966. §Traded flat: Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
B. C. Elec. Rly., pf.	2½%	July 15	July 5
Biltmore Hats	25c	July 15	June 30
Biltmore Hats, com.	25c	July 15	June 30
Brantford Cord., pf.	32½c	July 15	June 19
Brazilian Tr., ord.	50c	July 10	May 31
Beatty Bros., 1st pf.	$1.50	Aug. 1	July 1
Bell Telephone	$2	July 15	June 23
B. C. Power, A	45c	July 15	June 30
Bralorne M.	10c	July 15	June 30
Do., extra	10c	July 15	June 30
B. C. Tele., 1st pf.	$1.50	July 2	June 16
Do., 2nd pf.	$1.50	Aug. 2	July 17
Buff-Ankerite	12½c	Aug. 16	Aug. 2
Do., extra	7½c	Aug. 16	Aug. 2
Can. Breweries, pf.	50c	July 15	June 30
Cons. Smelters	50c	July 15	June 30
Do., extra	$1	July 15	June 30
Can. Gen. Invest.	12½c	July 15	June 30
Can. Light & Pr.	50c	July 15	June 26
Can. Nor. Pwr.	30c	July 26	June 30
Do., pref.	$1.75	July 15	June 30
Canada Bud	40c	July 20	July 6
Cosmos Imp., pref.	$1.25	July 15	June 30
Corporate Investors	6¼c	Aug. 15	July 31
Coniarum Mines	5c	July 15	July 2
Can. Bronze, pf.	$1.25	Aug. 2	July 20
Do., com.	37½c	Aug. 2	July 20
Can. Fairbanks, pf.	$1.50	July 15	June 30
Can. Indust., A & B	$1.50	July 31	June 30
Do., pref.	$1.75	July 15	June 30
Crown Cork	20c	Aug. 16	July 31
Calgary Power, pf.	$1.50	Aug. 2	July 15
Can. Dredge, c.	$1	July 31	July 14
Cons. Press	25c	Aug. 1	July 15
Dom. Foundries, c.	*25c	July 15	June 30
Dom. Tar, pref.	$1.37½	July 31	July 10
Dom. Textile, pref.	$1.75	July 15	June 30
Dome Mines	50c	July 20	June 30
Do., extra	$2	July [illegible]	June 30
East. Theat., pf.	$3.50	July 31	June 30
Frost Steel, 1st pfd.	$1.75	Aug. 2	July 16
Gould Pumps, pf.	†$2	July 15	July 1
Gt. Lakes Pwr., pf.	$1.75	July 15	June 30
Guar. of N. Amer.	$1.50	July 15	June 30
Do., extra	$2.50	July 15	June 30
Hollinger Cons.	5c	July 15	June 30
Howey Gold	2c	Aug. 2	June 26
Humberstone Shoe	50c	Aug. 1	July 15
Imperial Bank	$2.50	Aug. 2	June 30
Inter City Bak.	$1	July 31	July 15
Inter. Milling, pf.	$1.25	July 15	July 3
Invest. Found. pfd.	50c	July 15	June 30
Do., arrears	25c	July 15	June 30
Kelvinator, pfd.	$1.75	Aug. 16	Aug. 5
McColl-Fron., pf.	$1.50	July 15	June 30
Mtl. L. H. & Pr.	38c	July 31	June 30
Montreal Tele.	80c	July 15	June 30
Montreal Tram.	$2.25	July 15	July 5
Nat. Biscuit, pf.	$1.75	Aug. 31	Aug. 13
Nat. Biscuit, c.	40c	Oct. 15	Sept. 10
Penmans	75c	Aug. 16	Aug. 5
Do., pref.	$1.50	Aug. 2	July 21
Power Corp., com.	†25c	July 26	July 5
Power Corp., pf.	$1.50	July 15	June 30
Do., 2nd pfd.	75c	July 15	June 30
Premier Gold	3c	July 15	June 15
Do., extra	1c	July 15	June 15
Rolland Paper	25c	Aug. 16	Aug. 6
Do., pref.	$1.50	Sept. 1	Aug. 16
Sunshine Mining	75c	July 15	June 30
Sheep Creek G.	3c	July 15	June 30
Do., extra	1c	July 15	June 30
Simon & Sons, pfd.	$3.50	Aug. 2	July 20
Steel of Can.	43¾c	Aug. 2	July 7
Do., pref.	43¾c	Aug. 2	July 7
Smith, How. Pap. p.	$1.50	July 15	June 30
South. Can. Pwr., p.	$1.50	July 15	June 19
South Can. Pwr., c.	20c	Aug. 16	July 31
Saguenay Pwr., pf.	$1.37½	Aug. 1	July 15
Tuckett Tob., pf.	$1.75	July 15	June 30
Twin City, pfd.‡	$7	July 15	June 30
United Secs.	50c	July 15	June 28
Weston, Geo., pf.	$1.25	Aug. 3	July 15
West. Grocers	75c	July 15	June 20
Do., pref.	$1.75	July 15	June 20
Zimmerknit, pfd.	$3.50	Aug. 1	July 15

† Interim. * Initial. ‡ On arrears.

Municipal Bonds

July 6, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	111.00	112.00	4.20
Hamilton	5	1950	110.50	111.50	3.90
Montreal	5	1965	104.50	106.00	4.60
Ottawa	4½	1945	107.25	108.25	3.10
†Quebec	5	1959	101.50	103.50	4.74
Saint John	5	1950	107.00	108.50	4.17
†Toronto	4½	1955	110.50	112.50	3.55
†Vancouver	5	1950	98.00	99.00	5.75
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.40	4.70
Can. Invest. Fund	4.40	4.75
All Can. Trustee	14.25	14.75
Trans-Canada	...	14.30
Grouped Income	6.39	7.05
Can. Equity	13.00	...
Can. Int. Tr., modified	6.00	6.50
Do., unmodified	5.50	6.00

Courtaulds Plans Larger Output

New Unit Will Bring Per Capita Output Here Up to U. S. Mark

From Our Own Correspondent

MONTREAL. — Courtaulds (Canada) Ltd. has started construction on the recently announced extension to its Cornwall plant. When this unit has been completed and put into operation, per capita production of viscose yarn in Canada will be brought up to a level equal to that of the United States.

Plans of the company call for the erection of a new unit adjacent to and approximately the same size as the No. 3 unit erected in 1933. Contract for construction has been let to the Foundation Co. of Canada and will involve an outlay of approximately $1 million. The balance of the proposed expenditure of $3 millions will be used for new equipment.

50 Spinning Machines

The company intends to install in the new unit, 50 new viscose yarn spinning machines, which will increase total plant production by 42%. There are at present 117 spinning machines installed in the plant.

Last year Courtaulds produced just over eight million pounds of viscose yarn and production during the first half of 1937 exceeded that of the corresponding period of last year. With the new unit in operation, capacity of the plant will be between 14 and 15 million pounds annually.

Japanese Aid In Developing B.C. Industry

Competition from Orient Not Unmixed Curse to Province

From Our Own Correspondent

VANCOUVER. — Japanese competition in a new guise, with an indirect benefit to British Columbia industry, has appeared in recent months in the west coast province.

So far, Japan has been a valuable factor in mining. The Mitsui interests are now negotiating with B.C. Nickel Mines for the purchase of the entire output of that company after it builds a concentrator. It is proposed to ship all the B.C. Nickel concentrates direct to Japan for treatment.

Such a deal would be of tremendous advantage to the B.C. mining company inasmuch as International Nickel and Falconbridge hold patent rights to nickel treatment on this continent and neither company appears to be interested in British Columbia's output because of transportation costs. Japan, however, is the logical overseas market for British Columbia nickel, as the concentrates could be shipped at relatively low cost to tidewater at Vancouver or New Westminster and shipped direct to Japan.

Japan has also been a powerful factor in the copper industry here, and the contract closed with Japanese buyers for three-years production of the Copper Mountain mines made it possible for Granby Consolidated Mining & Smelting Company to resume operations at Allenby on a profitable basis. Granby is now making regular shipments to Japan.

Iron Ore Development

Another interesting development has been the opening up of iron ore deposits on the Queen Charlotte Islands by Japanese. Bossed by Japanese engineers who speak imperfect English and sometimes are difficult to understand, white gangs are laying five miles of track to tap the iron ore, which will presumably be loaded at the islands on Japanese ships for the industrial centres of the Far Eastern empire.

Japanese have been engaged in lumbering on a small scale in the past, although Japanese labor is employed to some extent in pulp and paper mills and sawmills owned by Canadian or American capital. On Vancouver Island, however, there is at least one lumbering operation owned and operated by Japanese.

Japanese interests have owned timber on the Queen Charlotte Islands for some years, although there has been little development there. Evidently the timber is being held in reserve, since Japanese mill owners realize that they must depend on the Pacific Northwest for a good many years for certain of the best grades of lumber.

Timber Exploitation

Purchase for some $550,000 of more than half of a billion feet of standing timber at the north end of Vancouver Island, recently, is said to be the forerunner of immediate exploitation of B.C. forests for the Japanese rayon and lumber industries. Those who have been closely identified with this deal say that the Japanese are unlikely to build a mill in British Columbia, as had at first been suggested. The Japanese plan to cut the trees and ship the raw logs direct to Japan—an aspect of timber production which is frowned upon here because it gives to British Columbia a minimum of return since practically no manufacturing on this side of the ocean is involved.

Threat of exploitation of the valuable salmon fisheries of British Columbia through the operation of floating canneries and fleets of small craft by Japanese outside the three-mile limit seems to have been disposed of for the time being inasmuch as experts claim fishing at that distance from shore would not be practicable except in such areas as Bristol Bay, which would be a problem of the United States rather than of Canada. Signing of the international agreement between the United States and Canada has also put a quietus on alarmist reports that Japanese in similar manner would deplete the halibut resources of the west coast.

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TORONTO

Good Moisture In Manitoba

But Remainder of West Is Far Below Average

Manitoba farmers up to the end of June received practically twice as much moisture as a year ago and 30% more than average, according to a compilation by Sandford Evans of Winnipeg. Normal precipitation for this province for the first six months is 5.96 inches. For the first six months of 1937 precipitation has amounted to 8.05 inches. With the expectation of a relatively small area in the northwest of the province this extra moisture was well distributed. Crop prospects are excellent over this same wide area.

Saskatchewan Dry

Saskatchewan moisture tables, however, show a vastly different picture with rainfall for the first six months only equal to three inches as compared with almost four inches for the same period a year ago and a normal of 5.1 inches. Deficiency in moisture appears to be widespread over the whole province with the exception of the northern half. In the south centre rainfall has been exceptionally light and seven million acres of wheat have been blasted.

Alberta Spotty

Alberta records show that precipitation this year has been slightly better than a year ago, the figures being 4.63 inches and 4.54 inches respectively, which are both sharply down from the average of 6.04. In the southwestern section of the province, notably around Cardston, Lethbridge and McLeod, rainfall has been running much above last year's dry experience, although not particularly above the average. But it has fallen at a critical time and crop prospects are good. Along the Saskatchewan border, however, and particularly in the south, drought conditions prevail and precipitation has been generally lower than a year ago and certainly much lower than normal.

Pools Turning To Co-operation

Following Evolution of Former Militant Farm Bodies

From Our Own Correspondent

REGINA.—Wheat pool conventions in Saskatchewan while passing resolutions asking for retention of the Wheat Board are turning their attention to a furtherance of co-operative effort in the province.

In this gradual development from a militant farmers' organization into an ordinary agricultural co-operative, the wheat pools appear to be following that same type of evolution as the United Farmers in Ontario and the United Grain Growers in the West.

Co-ordination of activities of the various co-operatives is stressed. Women's guilds in connection with co-operative organizations are being stressed and a general educational drive being made to extend scope of present organizations and to encourage growth of egg and poultry pools.

Mexican Light & Power Passes July Interest

At the recent annual meetings of shareholders of Mexico Tramways Co., and Mexican Light and Power Co. Miller Lash, K.C., chairman of the boards of both companies, stated that the recent expropriation policies adopted by the Cardenas government in Mexico will not have ill effects on operations.

Mr. Lash explained that the interest payment on the 6% cumulative debenture stock of Mexican Light and Power Co. due July 2, 1937, was being passed due to the company's continued indebtedness to the government.

C. D. Magee, Toronto, was elected a director of Mexico Tramways Co., taking the place of the late Vicomte Gaston de Breteuil.

Other officers and directors of both were re-elected.

Development Planned Of Arctic Resources

Government Watches Over Territories in Far North

From Our Own Correspondent

OTTAWA.—Canada is not risking the possibility that such expeditions as the recent one of Soviet scientists by airplane to the North Pole may cause the Dominion's claim to her Arctic territories to be challenged in years to come.

Consequently, when the Government ship Nascopie goes north on the annual Arctic patrol next month, it will establish Federal services as far north as Ellesmere Island, as proof of the reality of Canada's administration over the Land of the Midnight Sun.

The reason for such action, furthermore, is neither the Imperialistic instinct which reaches out to claim all available land, nor any consideration of possible defense policy. It is merely a mundane matter of dollars and cents. Federal circles believe that the Arctic, the popular conception of which is still that of a vast icy waste, will yet prove to be a region of high commercial value. Already the existence of coal, copper, iron and mica in commercial quantities has been indicated. And the time is believed to be not too far distant when their exploitation will enlist the interest of capital and provide employment for many Canadians.

Taking No Chances

Accordingly, the Government is taking no chances on losing its title to Arctic sovereignty to any foreign power which might make the fact that it had sent scientific expeditions into the area the basis of a claim to possession.

Actually, there is not considered to be any such danger from the recent spectacular flight of the Soviet scientists to the North Pole. The Soviet expedition, before it left Russia, secured the permission of the Canadian Government to fly over the area. That fact is construed by Federal authorities as a recognition of the sovereignty of the Dominion.

Successive Federal Governments have continued, unostentatiously, by definite Arctic policy. And each year the boundary of what have been known as "the Arctic wastes" has been flung farther north. At one time the whole Mackenzie River district, in the vicinity of which the Fort Norman oil fields and radium and other mineral deposits are now being developed belonged to an Arctic supposed to be barren of resources.

In the eastern Arctic archipelago no commercial exploration has been carried on as yet, but Government geologists and northern traders have uncovered impressive evidences of coal, iron, copper, and mica—with no limit to the possibility of other minerals still being found in the area.

Decisive Policy

The policy of the Government, furthermore, is now approaching close to its decisive phase. In past years Federal geologists, botanists, and meteorologists have been sent into the region in rotation each year the Arctic patrol has gone north, in order that the Government might have preliminary data of the most varied character possible. These data have been filed away in confidential reports, which have supplied the basis for the Arctic policy of successive ministries.

Now—within a few years at most—the time is coming when the Federal authorities will make all its collected data the foundation of a definite campaign of commercial exploitation of the Arctic.

When the time comes, ministerial circles intimate, the Government will "spot" development parties in the regions which its investigations so far have indicated to be the most promising. What the results will be, the ministry, with characteristic caution, is not predicting. But it is confident that an impressive addition to the nation's store of resources lies in the frozen North.

Government members point out that changing transportation facilities have wholly altered, within the space of less than 25 years, the accessibility of Arctic resources. Hardly more than 25 years ago, Captain Bernier was justified in saying that no matter what the mineral resources of the eastern Arctic Archipelago might prove to be, they could never be exploited, due to the shortness of the navigation season.

Quebec Checks Forest Rulings

No More Transfers of Limits Without Payment — Boost Revenue

From Our Own Correspondent

MONTREAL. — Substantial increases in revenue from transfers of forest limits will accrue to Quebec as a result of new regulations imposed by the province.

Heretofore conditional transfers of forest limits could be made from one company to another, or from one merger to another, without the necessity of paying the transfer fee of $20 per square mile.

The Order-in-Council adopted at Quebec does away with this regulation, which means that no exceptions will be recognized and that a fee will be paid on all transfers. Moreover, the fee has been increased from $20 to $50 a square mile, which means that the revenue from that source will be more than doubled in the future.

In order to show losses suffered by the province last year, Premier Duplessis said that when the St. Maurice Pulp and Paper Co. was organized, together with other companies, the loss suffered because of the non-payment of transfer fees was $200,000; when Canada Power and Paper was organized, the loss was $240,000; and when the latter merged into Consolidated Paper, another loss of $200,000 was entailed.

By way of illustration of the benefits to the treasury of the abolition of conditional transfer of Crown Lands, the Premier referred to the recent reconstruction of Price Bros. & Co., and said that the province has obtained what was due, and this had meant many thousands of dollars, especially as the transfer fee was then $50 a square mile.

In another instance a company had transferred 117 square miles. Under the old conditions this would have meant $21,017 for the Government in transfer fees, but the company paid $51,017 as a result of the new regulations.

Better Labor Conditions

Other regulations have been put into effect by the Government affecting pulp and paper companies. An Order-in-Council has been passed dealing with labor conditions, which imposes a minimum wage and maximum hours of work for men in the shanties. The order also calls for detailed account of relations between the companies and their employees, which it is expected will do away with misunderstanding and improve working conditions.

Work Relief Programme Planned by Lachine

From Our Own Correspondent

MONTREAL.—The city of Lachine plans to abolish direct relief on Aug. 1 next and to use public works in future to cope with unemployment.

Plans have already been made for a public works programme for 1938, commencing on Jan. 1. Present plans call for an expenditure of $512,000 of which Ottawa will contribute $31,000; the Province of Quebec, $331,000 and the city itself, $150,000.

No definite provision has been made for the intervening period from Aug. 1 to Jan. 1. Unemployable persons will continue to receive direct help from the city through various charitable agencies.

Week in Wheat

Winnipeg Out of Line—Exports Drop Sharply

But No Worry Now About Disposal of Scant 1937 Crop — Wheat Board Believed Almost Sold Out

From Our Own Correspondent

WINNIPEG.—Winnipeg, in leading the world wheat price advances, has got itself out of line with other markets to such an extent that export business is necessarily at a low level. It was only natural that Winnipeg should take this lead, as realization of the disaster that has overtaken a large part of the western Canada wheat area was quicker and more complete there than elsewhere.

In addition, Canada, being the worst hit producing country this year, is likely to establish and maintain a considerable premium over all competitive wheats during the crop year. Total exports from the crop now making will probably be the smallest since 1919. They may fall well below the 136 million bushels which Broomhall has suggested. No doubt, on account of the value of Canadian wheat for mixing purposes, a fairly large premium can be obtained on a small volume of business. Nevertheless there is always the danger that the premium situation can be overdone.

U. S. Estimates

Estimates of United States wheat production issued last week, proved a market check. Predictions were 645 million bushels of winter wheat, and the possibility of more than 200 million bushels of spring. Many observers, however, consider both of these figures decidedly high. They believe that the rapid increase of rust damage to both crops has been underestimated.

• • •

Future Prices

Now that prices have again hit $1.50, possibility of $2 wheat is being actually discussed. An advance to such a level without war, of course, would hardly be expected unless there was a failure in Argentina or Australia.

Ideas on what contribution of wheat can be made this year by Russia are as yet very hazy. With that country's enormous production, a very small export percentage could make a considerable difference in world supply.

India is expected to export about 18 million bushels, but any marked increase in price might bring out considerably more. On the other hand, Oriental imports are bound to shrink whenever prices become high.

European production prospects seem to have improved during the past week, although there is always the possibility of extensive damage from a wet harvest.

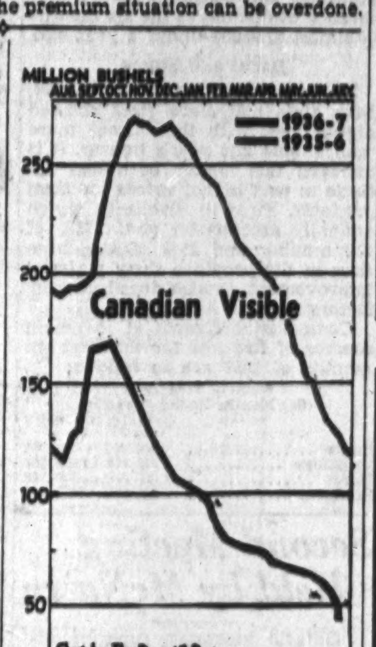
Total yield outside of Russia is likely to exceed that of last year, when the crop was on the small side, compared with previous successful years. The French currency situation creates doubts as to the ability of France to import wheat, even if such a move should appear necessary.

• • •

Nearly Sold Out

Spread between July and October has been widening, a fact which justifies the wonder expressed a few weeks ago that July wheat was not commanding a higher premium over later deliveries. This spread, too, has been in the face of deterioration in prospects for the new crop, which might have been expected to advance prices in the deferred month.

One technical reason is general realization that holdings of the Canadian Wheat Board have been almost completely liquidated. For a time there was a tendency to believe that Wheat Board holdings, or what remained of them, might be rationed so that sales would be spread fairly evenly throughout the last three months of the crop year. This led some traders to believe that the Board would be a certain source of supply for wheat throughout July. Now it is believed that the holdings are practically gone, and than an announcement may be expected very shortly that there is no more Government wheat for sale. Indeed there is little surplus wheat in any hands in Canada with visible, as shown in accompanying chart, down to well under 50 million bushels, practically all grain out of farmers' hands and nearly a month before any new hard wheat will be ready.



Bank Economists Hold Conference

Discuss Trends in Commercial Banking at International Meet

Trends in commercial banking—decline in commercial lending, increasing security holdings and allied topics—found a large place in discussions of a novel international conference, which has just concluded. Organized by W. F. Crick, manager of the intelligence department of the Midland Bank, some 15 economists in the service of banks in 12 countries met in London. Major purposes were to cultivate personal contact between economists engaged in similar work in countries of widely differing circumstances, and to profit by exchange of experience and views on problems of banking and financial and economic policy in various parts of the world. D. Marvin, of the Royal Bank and J. D. Gibson of the Bank of Nova Scotia, were the Canadian participants.

It is anticipated that some arrangement for a permanent association of the members of the conference will be made.

Dominion Tar Preferred Gets New Board Listing

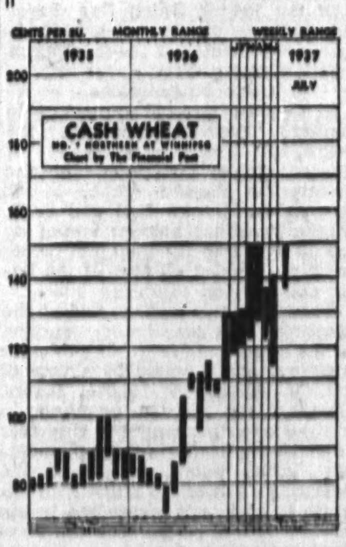
From Our Own Correspondent

MONTREAL.—Announcement is made by the Montreal Stock Exchange that the 50,350 6½% preferred shares of Dominion Tar & Chemical Co., are replaced with 50,350 shares of 5½% preference stock. This 5½% preferred stock will be quoted independently at the opening of business July 8. A bonus of two common shares went with each share of the old preferred.

Cheese Output

Factory cheese turned out in Alberta from January 1 to May 31 amounted to 434,802 pounds, compared with 361,080 pounds in the same five months of last year, an increase of 20.4%.

Wheat Prices



(Cash Quotations)

	For Week July 8 High	For Week July 8 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.50⅛	1.39⅞	1.36⅛	1.26⅞
1 Northern	1.50⅜	1.39⅞	1.36	1.26⅜
2 Northern	1.47⅞	1.34⅞	1.34⅜	1.24⅛
3 Northern	1.43⅞	1.34⅜	1.30⅛	1.21
4 Northern	1.39⅞	1.30⅜	1.27⅛	1.18⅜
5 Wheat	1.29⅞	1.19⅞	1.17⅜	1.10⅜
6 Wheat	1.23⅞	1.15⅞	1.13⅜	1.06⅜
Feed Wheat	1.07⅞	.99⅞	.97⅜	.90⅜
Vancouver: Week to July 5.				
1 Northern	1.41⅛	1.32⅜	1.26⅛	1.21⅛

Competitive Export Prices:

June-July shipments	Week to July 2 High	Low
No. 1 North. (afloat)	unquoted	
No. 1 North. (Atlan.)	1.62⅜	1.47⅜
No. 2 North. (Atlan.)	1.60⅛	1.45⅛
West Australian (afloat)	1.45⅜	1.34
Australian	1.45⅜	1.34⅜
Indian (new crop)	1.40	1.30½
U. S. Soft White Pac.†	1.49⅛	1.35⅜
U. S. 2 Hard Winter‡	1.52⅜	1.40⅛

†Sept. ‡Aug.

Winnipeg Grain Futures

Week to July 6, 1937

Crop year from Aug. 1, 1936 High	Low		Open June 29	High for week	Low for week	Close July 6
		Wheat				
1.51¼	1.03¾	July	1.38	1.51½	1.36¾	1.47
1.45¾	1.04½	Oct.	1.33½	1.45¾	1.30¾	1.39¾
1.40	1.07	Dec.	1.32½	1.40	1.28¾	1.36½
		Oats				
.66¼	.43¾	July	.59¾	.66¼	.59¾	.65½
.56¾	.41	Oct.	.50	.56¾	.50	.56¾
.54¾	.38¾	Dec.	.48⅝	.54¾	.47⅛	.53
		Barley				
.82½	.56¾	July	.67½	.74½	.65½	.73
.75¾	.51	Oct.	.65¾	.72¾	.63¾	.69¾
.70¾	.50	Dec.	.64⅛	.70¾	.63¾	.67½
		Flax				
2.05	1.60	July	1.73	1.84¾	1.73½	1.82¼
2.01	1.61	Oct.	1.77	1.86¾	1.78	1.83
1.85	1.70¼	Dec.	1.77	1.85	1.75	1.82¾
		Rye				
1.50	.78½	July	1.33½	1.50	1.31	1.46
1.09¾	.75¾	Oct.	.95	1.09½	.95	1.03½
1.08½	.74	Dec.	.98	1.08½	.94	1.02¾

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Fire and Casualty

Committee Is Approved By Manitoba Official

Co-operation With Definitions Body Asked by Heath

The attitude of insurance regulatory officials in respect to the joint committee on definitions and underwriting powers, a body appointed by the insurance superintendents to define what risks can and cannot be covered under certain classes of insurance, was further clarified recently by a statement from Charles Heath, superintendent of insurance for the Province of Manitoba.

In a letter addressed to "All insurers licensed to transact other than life insurance in the Province of Manitoba," Mr. Heath definitely supports the attitude adopted by H. G. Garrett, British Columbia insurance superintendent. It will be recalled that Mr. Garrett officially recognized the work of the committee as a constructive force seeking to improve conditions in the fire and casualty business and called upon the companies to co-operate in furthering its purpose. If such co-operation is not forthcoming, he inferred in a recent statement, legislation may be recommended.

Approves Garrett's Stand

Referring to Mr. Garrett's statement, Mr. Heath states in his letter: "I do not propose to restate the considerations which Superintendent Garrett has stated so fully and clearly in his letter; I desire only at this time to endorse what he has said. I believe the work of the joint committee, whatever difficulties and embarrassments may develop in matters of detail, is definitely in the public interest and in the interest of the business, and I propose to use the statutory powers which I have as superintendent of insurance to implement the ruling and decisions when approved by the superintendents unless or until I can be persuaded that the committee no longer commands the confidence of the majority of the interested underwriters or is not functioning in the public interest.

Asks Co-operation

"I would, therefore, following the example of Superintendent Garrett, request that every company licensed in Manitoba: 'will show its public spirit by loyally co-operating in this matter and will observe and use the rulings and forms approved by the joint committee; not only in this but all provinces . . .'".

The joint committee, introduced in the fall of 1935, has been approved by a large majority of companies, although some have contended that it is unnecessary and have refused to give the co-operation which proponents of the committee feel is essential to its success. It is an "undenominational" committee, including representatives of both board and non-board companies.

New Licenses

The following companies have been granted certificates of registry to transact the classes of insurance named in addition to those for which they are already licensed:

Occidental Fire Insurance Co.—Falling aircraft, civil commotion, property damage caused by vehicles.

Canadian General Insurance Co.—Hail, property damage caused by vehicles.

General Accident Fire and Life Assurance Corp.—Falling aircraft, civil commotion, property damage caused by vehicles.

Imperial Guarantee & Accident Insurance Co.—Personal property.

Boston Insurance Co.—Falling aircraft, hail, limited or inherent explosion, civil commotion, property damage caused by vehicles.

China Fire Insurance Co.—Civil commotion, property damage caused by vehicles.

Michigan Fire and Marine Insurance Co.—Fire, automobile, excluding bodily injury, explosion, hail, inland transportation, sprinkler leakage, tornado, and in addition, limited to properties insured for fire, falling aircraft, earthquake, property loss caused by vehicles.

Sentinel Fire Insurance Co.—Fire, automobile excluding bodily injury, explosion, hail, inland transportation, personal property, sprinkler leakage, tornado, and in addition, limited to properties insured for fire, falling aircraft, earthquake, property damage caused by vehicles.

Plan Course for Watchmen

The Ontario Fire Marshal's department is planning a course of instruction for watchmen, designed to acquaint them with the principles of fire prevention and control and to instruct them in the proper exercise of their duties. Certificates will be issued to those who successfully complete the course. The move has been taken after consultation with the Canadian Underwriters' Association, and a number of non-board fire insurance companies

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Provident Wins Case on Appeal

Action of the Munich Reinsurance Co. of Germany, suing the Provident Assurance Co. for $32,695, has been dismissed by the Quebec court of appeal. The judgment reverses that of a lower court late in 1935.

In 1928, the Provident entered into an agreement with the South German Reinsurance Co. whereby certain policies were reinsured. At the end of 1929, the Provident believed the German firm to be in difficulties, and cancelled the agreement, although the contract was still in existence for outstanding claims and liabilities.

The following year, the German company went into bankruptcy, and an individual creditor, R. Schultz, brought suit against the Provident and won a judgment of $27,635. This creditor, a representative of the bankrupt company, conferred with officials of the Provident and an agreement was reached whereby the creditor was paid $20,000.

In 1935, the Munich Reinsurance Co., which had acquired rights of the South German company, instituted action against the Provident and won its case in Quebec on the grounds that the Provident had paid money to a person having no legal right to it and that there had been collusion and fraud.

An appeal was entered by the Provident, and the higher court held that in view of the fact that the trustee had taken no steps to obtain possession of the property, the creditor was entitled to sue the bankrupt concern and collect for his own benefit. The fact that he was assisted by the Provident Assurance Co. could not be considered a fraud, it was stated.

Central Mutual Opens New Office

With the object of more actively engaging in the Canadian field, Central Manufacturers Mutual Insurance Co. will open an office in the Victory Building, Toronto, on July 14. The company has been operating in the Dominion since 1923 through a general agency and Vance C. Smith, formerly chief Canadian agent, will continue to represent the company. The new head office for Canada will not solicit business; the company will continue to operate through local agents.

Last year, Central Manufacturers wrote net premiums in Canada of $113,058, with losses amounting to $33,660. Fire insurance accounted for $72,858, the remainder being in automobile business. D. S. Miller will be manager for Canada.

Fire Loss Up In Half Year

Ontario Total Above 1936 Although Insurance Loss Lower

The Ontario fire marshal reports that in the three months ended June 30, there were 3,859 fires in the province entailing loss of just under $1.8 million. This represents an increase of 400 in number and $400,000 in loss, in comparison with fires in the corresponding period of last year. Insurance companies were called upon to pay out $1,456,701 to meet claims for the second quarter of this year, about $231,000 more than in 1936.

For the first half of this year, fire loss shows an increase of $100,000 over a year ago, the total amounting to $4.1 millions. The amount of insurance carried, however, has not kept pace with increased values of buildings and contents. Loss to insurance companies in the six months is almost $250,000 under a year ago.

Barns and Stores

In the four leading classes of risk, barn fires and store fires showed higher loss, with the former more than double last year's figures. It is believed this higher barn loss reflects in part higher prices for farm products. Fires in dwellings which annually account for about 75% of the number and 25% of loss from fires in the province show material improvement, as also does loss from factory fires.

Comparative figures of the main sources of fire loss for the first six months of 1937 are as follows:

Ontario Fire Loss
(Six Months Ended June 30)

	1937	1936
	$	$
Barns	361,900	178,089
Dwellings	1,164,716	1,224,305
Stores	1,006,470	837,366
Factories	549,880	732,320

Second Meeting Held by McNairn

Ontario insurance superintendent, H. D. McNairn, held his deferred meeting of representative fire and casualty insurance men last week.

It will be recalled that early this year, the Ontario superintendent notified a meeting of company representatives that he was informed that the business was not all that it should be and stated that he planned to hold a second meeting

What occurred at the second meeting is being kept strictly confidential. It is understood, however, that while discussion was of a general nature, a prominent insurance organization, probably the Dominion Board of Insurance Underwriters, is to submit a brief to the superintendent, outlining the present situation and what steps are being taken to improve the business as a whole.

Life Insurance

Write Insurance Policies On the Lives of Buildings

Depreciation and obsolescence are handy items when the income tax collector calls. But, more often than not, a building owner pays out his cost in dividends or on improvements. Then when his building outlives its usefulness there isn't any money to replace it.

At least, such is the argument of the founders of the Property-Life Insurance Co. of America as outlined in a recent issue of Business Week. This company is getting ready to sell a kind of life insurance for buildings which looks more than a little like the life or endowment policy for personal protection. It is the first time the idea has been attempted on this continent, so far as can be learned, although a similar system has been working in Germany for about 10 years. Property-Life Insurance Co. is being organized under a new law passed by the New York Legislature, while Illinois is paving the way for the same thing. The policy is described as follows:

"It is purely a retirement and replacement proposition. It has cash surrender features and can be borrowed against to the extent of 80%-85%. The life of the building is figured out by actuaries (after engineers test the materials, the construction, the foundation, etc.) and the policy is written accordingly.

"Normal building life expectancy runs about 30 years. Payments will range around $30 a thousand. Interest of 3%, compounded annually, is guaranteed. At the end of 30 years (or whatever other life span is covered), the original cost of the building will be paid to the owner.

"In case of a fire before the policy matures, the paid-in value goes to the owner.

Policy Loans

"If the building gets out of date and its earning power slumps, the owner may borrow on his policy for modernization at 5%, less the 3% interest the policy pays. He can repay the loan, or he can let it ride. In the latter case he will receive, at maturity, the original cost of the building less the amount of the loan."

Group Plan Issued By Montreal Life

After two years of study and research, the Montreal Life Insurance Co. has issued a group pension policy covering about 120 employees of Vancouver Breweries, Ltd., and British Columbia Distillery Co., subsidiaries of Brewers and Distillers of Vancouver, Ltd.

The underlying idea behind the scheme is that an employee is entitled to a pension commencing at age 65 of about half his average earnings during his active working life. Taking 35 years as a fair working lifetime, it was decided that for each year of future service a pension of 1¼% of the average salary would be granted. Past service presented a problem. Obviously, the employees could not be called upon to pay contributions for the years gone by. Hence it was decided that a pension of 1% of the average salary earned in 1936 would be allowed in respect each year of past service, the entire cost of these past service pensions to be met by the employer.

Under the scheme, employees contribute 4½% of their average salaries each year, and the employer makes up the difference.

NOTICE

Notice is hereby given that Affiliated Underwriters has received Certificate of Registry No. C-428 from the Department of Insurance, Ottawa, authorizing it to transact the business of Automobile Insurance, excluding insurance against loss by reason of bodily injury to the person, in addition to the previous classes of insurance for which it is registered.

V. W. GERRISH,
Chief Agent for Canada.

June 29, 1937.

Gain in Business By Confederation

Insurance Sales in Half Year Highest Since 1931

Paid for business of the Confederation Life Association in the first half of 1937 amounted to $22.5 millions, the highest figure for any corresponding period since 1931. The June total of $4.6 millions is also the highest for any June since the international convention in 1931. Improvement in business is general, with Canada, Great Britain, Cuba, West Indies and eastern agencies recording substantial increases in sales.

Business in force at the end of June was about $405 millions as against just under $400 millions at the end of 1936. Terminations are reported to have improved greatly. Officials of the company state that on a percentage basis policy loans now are the lowest in the past 25 years.

Confederation Life Ass'n Calls Special Meeting

A special meeting of Confederation Life Association shareholders will be held on July 14 to consider an agreement whereby that company would reinsure the Canadian business of the United States Life Insurance Co.

The United States Life has a relatively small volume of business in force in the Dominion, the report of the federal superintendent of insurance showing a gross total of $454,000 at the end of 1936. No new business was written last year.

LIFE PRESIDENT

Hon. G. Howard Ferguson, formerly High Commissioner for Canada in London, Eng., who has been elected president of the Crown Life Insurance Co. Mr. Ferguson is a director of Toronto General Trusts Corp., British America Assurance Co. and Western Assurance Co.

Coste Faction Queries Plans Of Union Gas

Eugene Coste Dropped from Board by Vote of Shareholders

Shareholders of Union Gas Co. of Canada at the annual meeting on June 29 voted nearly four to one to reduce the number of directors from nine to eight, and subsequently re-elected eight of the nine directors. Eugene Coste, recently defeated in his campaign to oust other directors, was dropped from the board.

Directors re-elected are D. A. Coste, brother of Eugene Coste; W. L. Duffield, manager of the company's London operations; C. M. Kennedy and R. L. O'Brien, Buffalo; S. A. Morse, president and general manager of the company; D. P. Rogers and A. F. White, Toronto; and W. J. K. Vanston, New York.

Coste Remarks

The annual meeting lasted approximately six hours and resulted in spirited differences of opinion between shareholders who approve the present board and supporters of the Eugene Coste group.

Mr. Coste informed the meeting that the increase in the company's profit, due largely to house-heating installations in London, bore out his contentions that the company should have concentrated on the London market rather than spending millions of dollars in trying to develop Hamilton territory. He also stated that the company was spending $350,000 wastefully in duplicating the pipe line from the Dawn field to London, and stated that the duplication would cost another $150,000 before completion.

He stated that directors were planning an amalgamation with another gas company in Hamilton, apparently referring to Dominion Natural Gas Company. He also stated that although reorganization of the major controlled firm, United Fuel Investments Ltd., had been discussed for months, but he had not been given information on the subject.

Management Comments

In reply, R. L. Bevan, manager of the natural gas division, stated that the duplication of lines to London was a necessary safeguard and S. A. Morse, president, stated he was not prepared to divulge details or principles of the forthcoming reorganization for United Fuel Investments. D. P. Rogers, a director, commented that the reorganization would give Union Gas some recompense for the $360,000 that had been paid to United Fuel.

Norman B. Gash, a shareholder who has taken an active part at Union Gas meetings for some years, commented that the company's investment of $1,200,000 in most of the 100,000 shares of United Fuel was worth about 1,200,000 cents and perhaps not that much. He criticized the ousting from the Union Gas board of Eugene Coste, whom he described as the man who developed the company's gas reserves and built up the enterprise. As to the reorganization of United Fuel, he commented that Union Gas and United Fuel have conflicting interests and "should therefore deal at arm's length."

Of the 706,192 Union Gas shares outstanding, there were 564,048 shares represented at the meeting in person or by proxy.

Coste Nominations

In a final effort at the meeting to maintain representation on the board, E. Frank Coste, son of Eugene Coste, nominated for the directorate Eugene Coste, F. T. Brooks, H. Brooke Bell and S. R. Mackellar. Shareholders voting on the 12 names to fill the eight directorships dropped all four of the latter nominations.

Three by-laws were passed at the meeting. That concerning reduction of the directorate from nine to eight members was adopted by a vote of 441,070 shares to 114,874 shares. Shareholders adopted unanimously a by-law authorizing the directors to make application for supplementary letters patent to extend the company's powers to allow it to operate in areas not mentioned in the present letters patent. The third by-law passed at the meeting gives authority to the president and directors to call special meetings. Previously only three shareholders had the right to call a special meeting.

Equitable Life Sales Highest in Six Years

New business written by the Equitable Life Insurance Co. in the first half of 1937 was the highest of any corresponding period since 1930. Volume was 37% above that of last year.

Insurance in force at the end of June was more than $41.8 millions, an increase of almost $700,000 over the figure at the end of 1936. In comparison with the previous year, terminations of policies have declined 15%.

Solloway Must Pay Says Appeal Court

$3,211,813 Judgment Based on Breach by Company of Legal Relationship Between Broker and Client

Isaac William Cannon Solloway, one-time partner in the former stock brokerage organization of Solloway Mills & Co. Ltd., must pay $3,211,813 plus 5% interest to G. T. Clarkson, liquidator of the firm, according to judgment of the Ontario Court of Appeal. This new judgment against I. W. C. Solloway dismisses his appeal from former rulings, except in respect of an item of $84,775 on which Solloway's appeal is allowed, without prejudice, however, to the liquidator's action to recover this relatively small sum.

The Court of Appeal's judgment traces the course of the liquidator's action to recover huge sums from Solloway for creditors of Solloway Mills & Co. Ltd. It also outlines the legal relationships between stock brokers and clients and refers to the "methods, schemes and subterfuges" by which the business of Solloway Mills & Co. was carried on.

Solloway appealed against a decision of Judge J. C. Makins of Supreme Court of Ontario dismissing an appeal from a report of O. E. Lennox. It was argued, on appeal, that sections of the Winding-Up Act are ultra vires the Parliament of Canada in so far as they authorize an officer of the Supreme Court of Ontario to order a director to repay money to the company. The Appeal Court states its belief that the sections in question are within the powers of Parliament.

Quote Lennox Report

The judgment of the appeal court quotes the report of O. E. Lennox which found that Solloway had been "guilty of misfeasance and fraudulent breaches of trust" in relation to Solloway Mills & Co. Ltd., Dominion company, in "procuring, permitting or authorizing" transactions as follows:

1. Payment of a dividend of $750,000 in Dec., 1929, out of capital and misappropriating $749,880 of it.
2. Payment of a dividend of $875,000 in Sept., 1930, out of capital and misappropriating $874,860 of that sum.
3. Payment by the company to him of $500,000 for 500,000 shares of McDermott Gold Mines Ltd. and misappropriating the $500,000 to his own use.
4. Payment from the company to himself of $57,155 out of fictitious grain accounts and misappropriation of it to his own use.
5. Payment by the company to himself of $25,000, charged to advertising, and misappropriation of the amount to his own use.
6. An advance to himself of $100,000 from the company in Jan., 1930, and misappropriating it to his own use.
7. Abandonment by the company on March 19, 1929, of an account receivable from Solloway and Harvey Mills of $84,775.
8. Payment by the company to himself of $10,000 on Jan. 30, 1930, charged to general expense, and misappropriating the $10,000 to his own use.
9. Delivery by the company to himself of Mercury Oils Ltd. shares valued at $7,500 and misappropriating the shares to his own use.
10. Payment by the company of his personal income tax of $28,534 from April 30, 1930, to July 30, 1931, and misapplication of this amount to his own use.
11. Payment by the company of $54,993 legal fees incurred by Solloway or Mills personally in 1930 and 1931 and misapplication of the sum.
12. Travelling expenses of $14,561 paid by the company and misapplication thereof.
13. Payment by the company of $25,000 to N. L. Martin on Oct. 8, 1931.

Trusteeship of Company

All except items 7 and 9, Mr. Lennox reported, were paid out of money in the possession of the company and of which the company was a trustee for its customers. Adding $764,068 of interest at 5% to the items, Mr. Lennox found that the company was never released from its obligation to conserve and apply all its assets to meet claims of customers, and that Solloway was accountable for a total of $3,296,591, with further interest at 5% to the date of payment.

The appeal judgment says the court is in general agreement with the finding of Judge Makins who upheld the Lennox report and agrees, generally speaking, with the findings of Mr. Lennox.

The appeal judgment cites cases to establish the principle that there is a fiduciary relationship between a broker and his customer.

It states:

"As to 80% or 85% of the entire business carried on by Solloway Mills & Co. Ltd., there was no actual purchase made, and no actual sale made in accordance with the orders of their customers, and the confirmations, so-called, of customers' orders by which the customer was informed that 'we have this day bought for your account and risk as under noted' or that 'we have this day sold for your account and risk as under noted' were in fact a lie in respect of that percentage of the total business."

The judgment points out that it was found as fact that throughout the period of the company's operations the commissions and fees earned as brokers were insufficient to meet the company's operating expenses and that the initial capital disappeared in the early months of the company's existence.

Treatment of Money

It was also found as fact, the judgment states, that the company treated money received from customers as margins and dealt with securities deposited as security for margins as its own, notwithstanding the fact that in four-fifths or more of the transactions the customers' orders were entirely disregarded and the brokers "were in fact gambling with their customers' moneys and betting against their customers' interests." The fact is established beyond question, says the appeal court, that the company did not pretend to carry out its primary duty as a broker, namely, to execute the orders received from customers.

It follows, says the court, that at no time did the company become entitled to deal with, as its own, the very large sum and bodies of securities entrusted to it by customers. The company was in fact a trustee for the moneys and liable for their return, says the judgment. That being so, the appeal court says Mr. Lennox has correctly found that Mr. Solloway has been guilty of misfeasance and fraudulent breaches of trust in all the items mentioned in the Lennox report except the $84,775 representing the account receivable from Solloway and Mills.

The appeal court finds that approval and ratification of the transactions by directors and shareholders are of no effect in that the money in question never became the money of the company, its shareholders or directors.

The judgment also negatives an argument that an Ontario company of the same name, Solloway Mills & Co. Ltd., was actually conducting the business and that the money in question was received by the Ontario company and lent to the Dominion company, Solloway Mills & Co. Ltd. The court says that transactions between the companies were fictitious and "merely for the purpose of imposing a barrier between the customer and the broker." The Ontario company, says the judgment, never obtained a license to transact business as a broker and never actually did so.

The Solloway appeal against the finding of O. E. Lennox and the decision of Mr. Justice Makins is dismissed except in regard to the $84,775.

W. J. P. Jenner and E. B. Titus have acted for G. T. Clarkson, the liquidator, in the Solloway case and A. G. Slaght and R. I. Ferguson represented I. W. C. Solloway.

Cawthra Apartments Ltd. Preferred Holders Meet

Holders of preference shares of Cawthra Apartments Ltd., Toronto, are meeting on July 27, 1937, to approve the plan for refunding the five-year notes. This plan was adopted by noteholders on June 7 and has been ratified by the court.

Under the plan the present $100 par common stock is to be cancelled and a new issue of 4,250 no par value common shares created. All the new common will go to holders of five-year notes on the basis of one share for each $7 of notes held.

Holders of preferred shares are now being asked to accept the part of the proposal affecting them. Voting provisions of the preferred shares are to be changed and in place of having one-half vote per share as at present, holders of preferred shares will have two votes per share. In addition, if no dividends are paid on the preferred within two years, preferred shares will have sole voting power.

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What would you give to discover the ancient chest . . . to unlock those riches that would bring happy release from a lifetime of labour, and give joy of independence while the years are yet kind to you? "A dream," you say. But it need not be. Freedom and contentment which all rational men desire can be yours with certainty by means of a —

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Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 80th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.*
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You then can face the future with confidence.

Protect Their Future

MUTUAL LIFE
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Bank Debits Lower in May

Less Active Speculative Trading Reflected—5-Month Total Up

Influenced by a decline in speculative trading on security markets, and also by fewer working days, bank debits declined 7% in May in comparison with the same month a year ago. Three of the five economic areas reported improvement, but this was more than offset by lower totals in Ontario and the Prairie Provinces.

Total debits for the month amounted to $2,769 millions, compared with $2,979 in 1936. General improvement in the Maritimes hoisted the total for the three provinces 14%. Quebec debits, despite a reduction in Montreal, were very slightly over the 1936 level. British Columbia advanced 3.4%. On the other hand, Ontario, reflecting largely the experience of Toronto and Ottawa, dipped 7%, and the Prairies, despite gains in seven of the 10 reporting clearing houses, were off 23.8%.

After seasonal adjustment, the May figure was substantially below that of the previous month.

Cumulative totals for the first five months of the year show that 28 of the 32 reporting centres are higher than in 1936, the improvement for the Dominion as a whole being 8.3%. The four exceptions are Ottawa, Lethbridge, Medicine Hat and Winnipeg.

Comparative figures of May debits by clearing house centres are as follows:

Debits to Individual Accounts

	May, 1937	May, 1936
	$	$
Maritimes:		
Halifax	29,243,413	26,569,428
Moncton	9,870,814	8,338,767
Saint John	16,936,511	16,009,887
Total—Maritimes	56,050,738	50,918,082
Quebec:		
Montreal	805,387,110	833,730,663
Quebec	81,187,777	52,168,909
Sherbrooke	7,146,827	5,898,902
Total—Quebec	893,721,714	891,798,474
Ontario:		
Brantford	10,736,135	9,135,101
Chatham	7,697,317	6,762,413
Fort William	4,915,113	7,392,076
Hamilton	58,856,818	51,846,492
Kingston	6,145,372	5,809,028
Kitchener	12,552,583	10,308,075
London	34,486,601	33,965,966
Ottawa	111,655,678	128,801,969
Peterborough	5,597,906	5,425,585
Sarnia	6,206,557	6,577,875
Sudbury	7,284,716	6,235,927
Toronto	906,506,261	994,494,075
Windsor	42,567,403	38,465,857
Total—Ontario	1,218,280,355	1,305,260,379
Prairies:		
Brandon	2,224,590	2,165,312
Calgary	52,920,987	50,012,469
Edmonton	36,348,464	30,547,690
Lethbridge	3,405,566	3,470,308
Medicine Hat	1,936,604	2,075,791
Moose Jaw	7,354,846	5,657,633
Prince Albert	2,227,628	2,199,006
Regina	34,437,983	44,362,101
Saskatoon	11,194,660	9,992,094
Winnipeg	279,969,711	416,880,900
Total—Prairies	432,317,444	567,399,893
British Columbia:		
New Westminster	6,221,670	5,858,196
Vancouver	137,841,087	126,904,618
Victoria	25,332,073	31,062,036
Total—B. C.	169,394,830	163,821,850
Total—Canada	2,768,765,061	2,979,196,678

Bank of Canada Weekly Statement

Balance Sheet

	June 30 1937	June 23 1937
Liabilities	$	$
Capital paid-up	10,100,000	10,100,000
Notes in circ.	133,141,529	131,247,123
Rest. Fund	743,716	743,716
Dep.: Dominion	14,590,471	18,760,825
Banks	189,835,621	191,802,789
Other	500,606	684,250
Total deposits	204,926,698	211,346,864
All other liabs.	2,375,561	1,890,812
Total liabs.	351,287,504	355,328,515
Assets		
Reserve: Gold	181,542,690	181,137,125
Silver bullion	2,475,612	2,468,706
Res. in sterling and U. S.	18,112,942	28,640,206
Other curr.	3,505	3,505
Total reserve	202,135,045	212,249,542
Subsidiary coin	196,308	193,661
Investments:		
Dom. govt. short	35,943,305	35,926,341
Other Dom. govt.	98,268,738	98,404,210
Other secs.	10,017,816	4,999,312
Total invest.	144,229,859	139,329,863
Premises	500,200	500,500
All other assets	4,156,094	3,054,629
Total assets	351,287,504	355,328,515
Reserve ratio	59.79%	61.95%

Weekly Bank Clearings

	June 30 1937	Change Year Ago	June 24 1937
	$	%	$
Halifax	2,033,388	+ 0.9	2,159,237
Saint John	1,477,058	— 7.4	1,773,489
Moncton	883,543	+12.7	879,324
Sherbrooke	669,603	+ 6.5	688,807
Quebec	3,957,958	— 8.5	3,784,851
Montreal	90,737,275	— 8.2	90,875,262
Ottawa	13,300,890	—13.7	16,363,998
Kingston	387,909	—43.1	559,487
Peterborough	519,889	—15.4	627,919
Toronto	90,209,241	—14.9	107,190,189
Kitchener	822,537	—20.1	1,003,014
Brantford	763,125	—20.6	1,028,361
London	1,913,578	—28.8	3,104,341
Windsor	2,591,709	+ 1.6	3,936,697
Sarnia	322,380	—21.5	563,109
Sudbury	846,162	+ 2.2	961,018
Fort William	626,066	— 9.3	932,996
Winnipeg	31,231,897	—27.2	33,618,511
Brandon	254,925	— 6.1	294,311
Moose Jaw	412,569	—22.6	535,655
Saskatoon	1,000,727	—22.5	1,353,488
Prince Albert	261,347	—0.01	338,227
Calgary	4,749,360	—12.8	5,502,450
Lethbridge	345,747	—17.2	429,515
Vancouver	15,916,151	—10.0	18,445,934
Victoria	1,410,136	— 6.3	1,734,682

New Branch Banks

For the first time in a good many months, no branches were closed by the Canadian banks in May. On the other hand, three new offices were opened, about the middle of June, bringing the total to 3,514, of which 3,369 are in the Dominion.

One of the new branches was that of the Bank of Toronto at Eglinton Ave. and Bathurst St., Toronto. The other two are summer branches—open during the tourist season—at Banff and Lake Louise. Both are offices of the Bank of Montreal.

We Manufacture
Envelopes
for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Bank Credit Index Reflects Loan Total

Rises to 37.1% in May, Highest Point Since Last October — Improved Business Increases Demand for Loans

Influenced by a $17 millions increase in commercial loans, The Financial Post credit index, based on the ratio of call and current loans in Canada to public deposits, advanced 1.2 points in May to 37.1%, the highest level since last October.

Current loans of the chartered banks, largely comprised of commercial advances, now stand at the highest level since March, 1936. Each month this year has shown improvement, the May total of $727.9 millions being $52 millions higher than at the end of 1936. Since the 26-year low was registered last July, the total has increased almost $60 millions.

In addition to a higher total of commercial loans, bankers also point to an improvement in the type of loan outstanding. A substantial proportion of the loans carried in order to tide business concerns over the depression period have been paid off. Generally speaking, the loan portfolios of the banks are in a more healthy condition.

Reflect Better Business

Behind both these developments, of course, is the generally rising trend of business, coupled with some improvement in the price situation. A substantial part of the increase represents forward buying in order to stock up inventories.

Call loans, which reflect activity on security markets, declined $4.4 millions during the month, showing the effect of lower prices for securities.

Security holdings of the banks show little net change for the month. Material fluctuation is noted in the individual items which comprise the total, however. Short-term Government bonds increased $12 millions, while those of longer maturities dropped $17.1 millions. Holdings of public securities other than Canadian rose $5.5 millions. Canadian municipals were down $2 millions.

Deposits showed the most substantial decline in some months, demand balances declining $32.4 millions and savings $9.9 millions.

Comparative figures of the major factors affecting the Canadian credit situation are as follows:

Use of Bank Credit in Canada
(In Millions of Dollars)

	May 31 1937	April 30 1937	Change	May 31 1936	Change
Loans	969.3	956.4	+ 12.9	915.1	+ 54.2
Investments	1,438.0	1,439.7	— 1.7	1,345.2	+ 92.8
Total	2,407.3	2,396.1	+ 11.2	2,260.3	+147.0
Deposits	2,273.0	2,315.3	— 42.3	2,105.2	+167.8

Cash Lower

Other substantial changes shown in the monthly statement include a decline of more than $6 millions in cash position of the banks and an increase of $31.2 millions in Dominion Government deposits. The reduction in the banks' cash arises from a decrease of $8.9 millions in deposits with the Bank of Canada, the item by which the central bank may regulate the flow of credit in the Dominion. Holdings of Bank of Canada notes increased by almost $3 millions. Circulation of the banks' own notes fell off by $800,000 to $110.2 millions.

The following table shows detailed changes in the bank statement, giving comparative figures for April and for May, 1936:

ASSETS

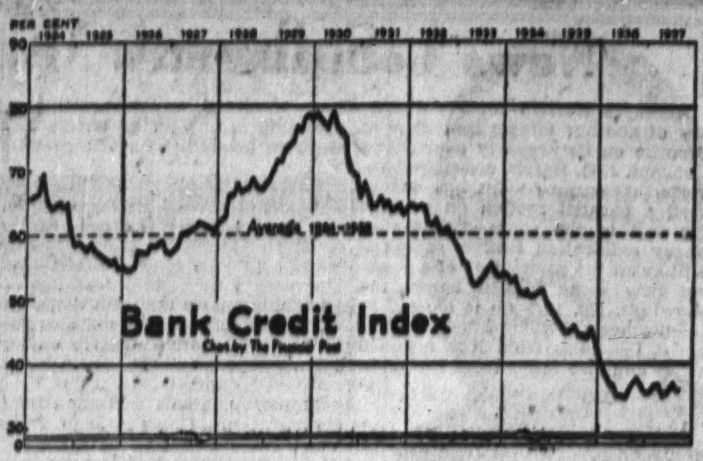
	May, 1937	April, 1937	Change	May, 1936	Change
	$	$	$	$	$
Immediately Available Liquid Assets					
Canadian coin	5,166,825	5,326,219	—159,394	5,175,205	—8,380
Bk. of Can. notes	43,683,170	40,709,745	+2,973,425	34,282,576	+9,400,594
Bk. of Can. depos.	190,604,549	199,473,003	—8,868,454	185,072,148	+5,532,401
Banks' cash	239,454,544	245,510,967	—6,052,423	224,529,929	+14,925,615
Other bank notes	7,563,240	4,765,510	+2,797,730	7,074,580	+488,660
Gold & sub. coin abd.	4,826,899	4,131,216	+695,683	11,283,361	—6,456,462
Foreign banks	111,976,752	117,415,819	—5,439,067	111,222,241	+754,491
Foreign curr.	20,180,229	18,817,123	+1,363,106	22,996,749	—2,816,520
Gov. sec. short term	488,768,313	476,742,029	+12,026,284	493,453,161	—4,684,848
Do., long term	643,227,634	660,334,120	—17,106,486	587,707,847	+55,519,787
Call loans abroad	76,979,435	72,185,455	+4,793,980	58,322,836	+18,656,599
	1,592,981,126	1,599,903,339	—6,922,213	1,516,590,724	+76,390,402
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	117,553,207	119,600,183	—2,046,976	111,943,587	+5,609,620
Public secs.♦	64,824,076	59,280,268	+5,543,808	48,945,842	+15,878,234
Other secs.	123,612,910	123,723,979	—111,069	103,141,557	+20,471,353
Can. call loans	116,950,529	121,368,028	—4,417,499	87,167,995	+29,782,534
Current loans	727,880,132	710,442,224	+17,437,908	699,774,131	+28,106,001
Loans abroad	160,544,766	167,953,505	—7,408,739	144,691,129	+15,853,637
Prov. loans	15,649,880	16,155,787	—505,907	24,450,679	—8,800,799
Mun. loans	108,864,005	108,408,025	+455,980	103,750,033	+5,113,972
	1,435,879,505	1,426,931,999	+8,947,506	1,323,864,953	+112,014,552
Other Assets					
Non-curr. loans	12,182,634	12,200,212	—17,578	13,591,397	—1,408,763
Real estate	8,649,331	8,638,592	+10,739	8,819,129	—169,798
Mortgages	4,230,696	4,214,990	+15,706	4,678,542	—447,846
Premises	74,786,567	74,813,583	—27,016	75,606,912	—820,345
Letters of credit	73,889,086	73,628,246	+260,840	58,011,578	+15,877,508
Loans to comp.	11,408,599	11,297,847	+110,752	10,546,631	+861,968
Other assets	2,137,583	1,981,635	+155,948	2,232,821	—95,238
	187,284,496	186,775,105	+509,391	173,487,010	+13,797,486
Total	3,216,145,127	3,213,610,443	+2,534,684	3,013,942,687	+202,202,440
Note circ. dep.	7,061,990	7,056,828	+5,162	6,889,857	+172,133
Int. bank bal.	111,021,278	126,474,317	—15,453,039	86,757,157	+24,264,121
Gross	3,334,228,395	3,347,141,588	—12,913,193	3,107,589,701	+226,638,694

LIABILITIES

	May, 1937	April, 1937	Change	May, 1936	Change
To the Public					
Circulation	110,177,504	110,953,406	—775,902	123,371,431	—13,193,927
Dom. Govt.	53,563,584	22,332,856	+31,229,728	49,529,294	+4,034,290
Prov. Govt.	45,455,485	45,057,506	+397,979	38,568,675	+6,886,810
Deposits by Public					
Demand dep.	699,566,400	731,961,610	—32,395,210	578,298,032	+121,268,368
Savings dep.	1,573,466,165	1,583,327,255	—9,861,090	1,526,915,696	+46,550,469
Total	2,273,032,565	2,315,288,865	—42,256,300	2,105,213,728	+167,818,837
Foreign dep.	420,124,173	417,713,786	+2,410,387	390,805,383	+29,318,790
Due to Banks Abroad, Etc.					
United Kingdom	15,437,036	11,853,117	+3,583,919	9,833,809	+5,603,227
Foreign	35,050,042	36,918,922	—1,868,880	28,438,742	+6,611,300
Bills payable	545,744	780,805	—235,061	890,558	—344,814
Letters of credit	73,889,086	73,628,246	+260,840	58,011,578	+15,877,508
Other liabs.	2,786,029	3,053,828	—267,799	2,510,894	+275,135
Total public liab.	3,030,061,248	3,037,582,427	—7,521,179	2,807,174,092	+222,887,156
Due bet. banks	11,665,189	16,059,861	—4,394,672	10,838,786	+826,403
Liability to Shareholders					
Dividends	2,949,208	2,544,914	+404,294	2,944,441	+4,767
Reserve	133,750,000	133,750,000	....	132,750,000	+1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,323,925,645	3,335,437,202	—11,511,557	3,099,207,319	+224,718,326
Credit index*	37.1%	35.9%	+1.2%	37.3%	—0.2%

♦Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000



CREDIT IMPROVES

Advancing 1.2 points in May, The Financial Post credit index, based on the ratio of call and current loans in Canada to Canadian public deposits, now stands at 37.1%, the highest level since last October. Main factor in the rising trend of the index has been an upswing in demand for commercial loans. Bankers report that generally improved business and a higher price level have not only increased the outstanding current loan total, but have made the entire loan situation more healthy. Additional demand is said to emanate not from a few very large borrowers but from a more widespread group of manufacturers and merchants who anticipate continued improvement.

Monthly Bank Clearings

	June 1936	June 1937
	$	$
Halifax	10,522,466	11,141,497
Saint John	8,057,703	7,993,042
Moncton	3,553,579	3,937,700
Sherbrooke	2,692,686	3,174,809
Quebec	17,929,968	21,052,923
Montreal	428,962,616	459,404,570
Ottawa	109,252,248	84,403,598
Kingston	2,455,023	2,674,311
Peterborough	2,842,057	2,862,766
Toronto	564,945,876	551,949,155
Hamilton	20,076,576	24,356,720
Kitchener	4,646,929	5,115,999
Brantford	3,963,227	4,305,624
London	13,773,799	12,892,938
Windsor	12,243,889	15,148,279
Sarnia	2,361,935	2,327,344
Sudbury	4,332,109	4,222,994
Fort William	4,362,110	3,677,781
Winnipeg	250,975,032	160,401,488
Brandon	1,377,473	1,345,120
Regina	14,340,201	15,566,996
Moose Jaw	2,436,103	2,563,613
Saskatoon	6,269,238	6,137,123
Prince Albert	1,423,773	1,494,036
Edmonton	16,315,553	16,733,066
Calgary	24,497,673	22,859,251
Lethbridge	2,002,512	1,830,551
New Westminster	2,657,186	3,060,980
Vancouver	78,571,113	84,014,606
Victoria	7,378,200	7,781,989

Staff Changes

The Royal Bank has announced the following staff changes:

R. B. MURRAY, formerly accountant at Charlottetown, to be manager at Bear River, N.S.

R. CALLARD, formerly manager at Loverna, to be manager at Wawota, Sask.

H. M. GRINDELL, to be manager at San Juan, Puerto Rico.

E. P. S. SOLER to be assistant manager at San Juan, Puerto Rico.

F. G. MACDONALD to be accountant at San Juan, Puerto Rico.

R. A. RANGEL, formerly manager at Caibarien, to be manager at Cienfuegos, Cuba.

W. A. TRIPP, of Wawota, is retiring on pension, and C. C. MacRAE, manager and resident inspector at San Juan, Puerto Rico, has been granted extended leave of absence with subsequent retirement on pension.

The Bank of Toronto has appointed W. B. YOUNG, formerly manager at Mount Pleasant and Belsize Drive, Toronto, to be manager at Eglinton and Bathurst, Toronto.

1832 1937
In London . . .
CLIENTS having banking transactions in the United Kingdom are cordially invited to avail themselves of the facilities of our London, England, Branch, 108 Old Broad Street, E.C.2.
World-wide facilities in every department of banking
Coast to Coast in Canada
NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC
&
NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND
The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE
3710

UNION GAS COMPANY OF CANADA, LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARIES

THE WINDSOR GAS COMPANY LIMITED, CITY GAS COMPANY OF LONDON, AND THE EMPIRE LAND COMPANY LIMITED

Consolidated Balance Sheet
31st March, 1937

ASSETS

PROPERTY:		
Comprising Gas Wells, Gas Manufacturing Plants, Transmission Lines, Distribution Systems, Real Estate and Buildings, Franchises, Rights, etc.		$18,431,595.01
Premium paid on acquiring business of the City Gas Company of London		404,371.38
Development costs deferred, less amounts written off		1,096,261.17
		$19,932,227.56
CURRENT AND WORKING ASSETS:		
Cash		$ 566,355.92
Accounts Receivable:		
Gas—less reserve for doubtful accounts		280,096.57
Merchandise (instalment accounts)—less reserves for unearned interest and doubtful accounts		287,126.95
Sundry		7,637.64
Inventory of appliances and materials for resale as determined and certified by the management and priced at the lower of cost or market		35,898.98
Accrued interest receivable		7,424.61
		$ 1,184,540.67
SUNDRY ASSETS:		
Receivable on Mortgages		$ 11,070.00
Farm Properties		166,709.01
		$ 177,779.01
DEPOSITS WITH TRUSTEES FOR BOND ISSUES		$ 6,648.72
INVESTMENTS IN AND ADVANCES TO CONTROLLED COMPANIES:		
United Fuel Investments Limited:		
Common shares of No Par Value		$ 1,227,839.86
6½% General Mortgage Bonds (Par $450,000)		397,465.92
Current Accounts with Controlled Companies		7,976.45
		$ 1,633,282.23
Prepaid and Deferred Charges		$ 142,302.58
House Heating Installations at cost less provision for amortization		357,185.87
Stores and Spare Equipment		128,567.53
Bond Discount less amount written off		282,080.00
		$ 910,135.98
		$23,844,614.17

Note.—The above assets are shown at their book values which are for the most part based on appraisals by your Consulting Engineer with later additions at cost and are exclusive of gas reserves developed. An amount of $237,159.96 is included representing the depreciated book value of the gas manufacturing plant in London which is being retired, less amounts written off.

Note.—United Fuel Investments Limited which owns Hamilton By-Product Coke Ovens Limited, United Gas and Fuel Company of Hamilton Limited and The United Suburban Gas Company Limited has outstanding 90,000 preference shares of $100 each on which there are dividends of 34½% in arrears and 100,000 Common Shares of no par value of which 99,774 are owned by Union Gas Company of Canada Limited.

LIABILITIES

CAPITAL AND SURPLUS:		
Capital Authorized—1,000,000 shares of No Par Value: Issued—706,199 shares		$11,163,775.00
Surplus arising from Revaluation of Physical Assets of Union and Windsor Companies		5,503,805.68
		$16,667,580.68
Less: Amounts repaid to Shareholders		5,611,250.25
		$11,056,330.43
Consolidated Surplus Account		1,388,561.19
		$12,444,891.62
First Mortgage Bonds of Union Gas Company of Canada Limited issued less redeemed:		
3½% Serial due 1937 to 1938	$ 500,000.00	
4 % Serial due 1939 to 1942	1,000,000.00	
4½% Serial due 1943 to 1945	750,000.00	
4½% Fifteen Year Sinking Fund due 1950	2,000,000.00	$ 4,250,000.00
First Mortgage 5% Bonds of The Windsor Gas Company Limited, due 1st November, 1966		1,036,000.00
First Mortgage 6% Bonds of City Gas Company of London, due 1st April, 1947		201,000.00
		$ 5,487,000.00
Balance Payable on Mortgage		$ 140,000.00
CURRENT LIABILITIES:		
Accounts Payable and Accrued Charges, including Meter and Special Line deposits		$ 259,148.13
Interest accrued on Bonds and Mortgage		92,758.18
Reserve for Dominion of Canada Income Taxes		131,034.96
		$ 482,941.27
RESERVES FOR DEPRECIATION		$ 5,289,781.28
		$23,844,614.17

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Union Gas Company of Canada, Limited and its wholly-owned Subsidiaries, The Windsor Gas Company Limited, City Gas Company of London, and The Empire Land Company Limited, for the year ending 31st March, 1937, and have received all the information and explanations we have required. Depreciation of Physical Assets and Amortization of Development Costs Deferred are on the basis which has been approved by the Consulting Engineer of the Companies. Investments in Controlled Companies are shown at cost and no provision has been made to adjust the value of the common shares of United Fuel Investments Limited for the arrears of dividend accumulated on the preference shares of that Company.

Subject to the foregoing we report that in our opinion the attached Consolidated Balance Sheet and statements of Consolidated Profit and Loss and Surplus Accounts set forth a true and correct view of the state of the Companies' affairs at 31st March, 1937, and of the consolidated results from operations for the year, according to the best of our information and the explanations given us and as shown by the Companies' books.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants.

TORONTO, CANADA.
25th May, 1937.

Position of Chartered Banks of Canada as of May 31st, 1937, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. due to other bank in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	23,958,956	22,469,098	6,491,010	....	192,730,921	430,065,903	60,632,406	3,433,314	5,228,562	6,392,402	75,545	10,882,541
Nova Scotia	10,063,171	2,145,326	1,126,939	....	43,110,420	146,506,444	52,805,846	2,235,584	240,415	1,928,830	18,450	7,756,193
Toronto	4,384,935	4,175,515	1,389,619	....	33,751,725	77,517,082	351,766	601,967	615,798	1,757,799	123,125	2,712,018
Provinciale	3,280,382	126,454	1,237,746	....	6,630,758	36,965,537	214,930	2,660	....	80,582	....	111,094
Commerce	21,541,458	7,527,827	14,548,400	....	139,869,430	308,359,427	60,170,010	1,499,250	3,207,783	8,504,843	62,140	22,942,757
Royal	29,465,939	9,835,258	13,346,828	....	182,495,299	314,024,512	236,412,061	596,550	1,089,502	11,985,214	266,484	23,329,689
Dominion	5,815,866	2,589,734	1,011,734	....	37,985,627	72,680,861	4,462,624	1,149,643	590,419	1,040,411	....	3,968,805
Nationale§	5,643,099	627,025	341,628	....	25,847,724	96,396,918	1,049,936	791,894	23,077	625,449	....	531,790
Imperial	5,676,793	4,023,948	5,961,499	....	34,969,923	86,886,921	298,142	1,215,460	442,966	1,266,151	....	1,418,996
Barclay's (Canada)	346,905	43,399	82	....	2,174,573	4,062,560	3,726,452	138,867	3,998,514	1,468,361	....	235,203
Total	110,177,504	53,563,584	45,455,485	....	699,566,400	1,573,466,165	420,124,173	11,665,189	15,437,036	35,050,042	545,744	73,889,086

LIABILITIES (continued) — **SUPPLEMENTARY INFORMATION**

NAME OF BANK	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are partners	Average Notes and deposits with Bank of Can.	Greatest amount of Notes in Cir.
	$	$	$	$	$	$	$	%	$	$	$
Montreal	2,195,411	727,296	39,000,000	36,000,000	840,283,371	50,000,000	36,000,000	8	628,153	78,602,394	25,397,226
Nova Scotia	106,258	363,774	24,000,000	12,000,000	304,407,656	15,000,000	12,000,000	12	2,611,629	17,961,000	10,648,497
Toronto	....	150,594	9,000,000	6,000,000	142,531,948	10,000,000	6,000,000	10	688,516	12,263,831	4,578,240
Provinciale	2,659	64,101	1,000,000	4,000,000	53,716,906	5,000,000	4,000,000	6	168,548	3,298,040	3,481,232
Commerce	....	606,491	20,000,000	30,000,000	638,839,820	50,000,000	30,000,000	8	3,283,704	41,691,802	23,340,613
Royal	87,935	712,835	20,000,000	35,000,000	878,648,112	50,000,000	35,000,000	8	1,676,066	52,046,506	30,086,968
Dominion	219,203	175,978	7,000,000	7,000,000	145,690,911	10,000,000	7,000,000	10	1,460,322	10,642,664	5,849,831
Nationale§	174,513	142,911	5,000,000	7,000,000	144,195,968	10,000,000	7,000,000	8	186,853	9,066,596	5,643,[illegible]
Imperial	....	5,228	8,000,000	7,000,000	157,166,032	10,000,000	7,000,000	10	637,533	12,166,991	6,016,698
Barclay's (Canada)	....	....	750,000	1,500,000	18,444,921	1,500,000	1,500,000	....	4,480	887,684	346,905
Total	2,785,979	2,949,208	133,750,000	145,500,000	3,323,925,645	211,500,000	145,500,000	....	11,345,804	238,627,508	115,289,309

▲Of this amount $47,554,708 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug., 1935. * And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canada	Cheques on other banks	Balances due from other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,004,658	154,714	13,513,426	65,233,824	1,898,701	572,160	24,732,476	13,791	2,848,704	9,301,678	175,878,384	196,359,608	37,583,505	15,981,392
Nova Scotia	350,277	1,345,295	3,296,879	14,937,220	585,291	3,192,484	9,780,412	....	492,749	18,021,089	25,279,932	59,256,800	12,735,222	1,297,451
Toronto	219,388	....	2,120,729	11,027,347	415,035	82,912	6,687,880	....	475,427	2,239,274	14,584,025	39,911,133	7,650,612	1,050,916
Provinciale	195,125	....	911,985	2,443,413	360,610	77,378	1,911,161	756,505	6,119	78,234	5,332,855	8,533,342	10,514,486	....
Commerce†	880,441	178,786	6,125,647	32,796,478	1,071,030	1,069,335	17,088,722	1,867	1,713,756	15,593,960	89,055,115	123,707,178	9,468,261	26,940,441
Royal‡	1,384,190	3,146,856	7,602,039	44,384,801	1,625,738	14,863,183	28,563,324	4,702	14,652,508	37,104,269	143,758,795	116,374,214	10,794,905	19,316,501
Dominion	252,683	681	2,700,722	7,373,714	502,400	113,141	6,874,635	....	474,557	891,007	11,122,291	35,317,376	5,297,834	....
Nationale§	508,542	667	2,861,020	6,087,797	558,985	77,345	3,719,370	1,014,698	26,953	1,471,826	7,582,000	20,727,838	18,904,256	237,375
Imperial	371,623	....	4,473,967	5,486,609	537,090	107,002	6,560,669	614,760	651,224	2,391,164	13,061,679	38,606,783	4,587,027	....
Barclay's (Can.)	1,898	....	78,756	853,346	8,360	5,289	251,848	2,444,463	2,767,710	774,524	3,113,137	4,433,367	17,099	....
Total	5,168,825	4,826,899	43,683,170	190,604,549	7,563,240	20,180,229	106,170,497	4,850,781	24,109,707	87,867,025	488,768,313	643,227,634	117,553,207	64,824,076

ASSETS (continued)

NAME OF BANK	Other bonds and stocks	Call loans in Canada	Call loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgage on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	33,246,419	40,891,415	29,946,033	141,399,809	12,537,408	819,495	34,740,870	2,806,707	649,393	565,534	14,000,000	1,737,019	2,017,204	841,317,071
Nova Scotia	13,669,480	11,933,230	2,858,334	83,559,951	15,896,867	290,921	7,762,808	724,986	....	104,281	6,799,212	588,269	2,791,330	305,306,966
Toronto	3,588,075	5,988,153	....	35,842,952	....	....	5,253,832	166,748	....	41,478	3,494,589	354,586	....	142,857,118
Provinciale	2,615,367	4,196,863	....	11,223,339	....	35,902	1,163,015	84,395	672,892	348,813	2,102,727	183,675	118,986	53,978,270
Commerce†	19,778,904	26,704,153	22,005,070	145,375,352	18,830,426	6,943,347	23,367,419	3,763,096	2,689,396	1,606,269	14,870,793	1,325,000	4,047,963	639,960,975
Royal‡	37,228,249	27,186,352	17,074,779	176,249,604	112,726,360	1,700,636	14,649,022	3,608,802	2,801,408	734,211	15,445,400	1,025,000	4,083,686	882,039,313
Dominion	3,461,374	10,588,123	4,991,983	44,472,685	516,955	....	699,124	325,757	104,580	45,904	5,738,876	347,650	216,218	146,399,198
Nationale§	9,896,652	9,365,766	103,236	38,907,013	36,750	17,991	13,391,615	321,481	1,515,375	357,596	5,879,030	391,912	197,177	144,692,070
Imperial	128,381	9,276,964	....	48,741,046	....	5,841,588	7,836,300	369,422	216,081	376,610	6,005,931	491,674	73,558	158,226,159
Barclay's (Can.)	....	860,500	....	2,108,381	....	....	....	11,150	....	....	450,000	17,196	....	18,451,283
Total	123,612,910	116,950,529	76,979,435	727,880,132	160,544,766	15,649,880	108,864,005	12,182,634	8,649,331	4,230,696	74,786,567	7,061,990	13,546,078	3,334,228,395

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement. — Footnote to the Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $73,889,086 letters of credit outstanding as shown in liabilities.

Week in Mining

Market Rationalized By Gold Price Scare

Illusory Factor of Former Prices Dissipated by Clash With Realities — Is Gold Surplus an Illusion?

The small but marked recovery which has taken place in the gold share market has made vital the question: "Are the dividend paying gold stocks a logical purchase at present prices?"

The shock of the recent gold scare appears to have passed to some extent, and while gold shares remain close to recent low levels, improvement among the better stocks is noticeable.

In one important respect, the widespread gold scare has been a blessing in a very thorough disguise. The illusion, carefully fostered by those interested, that the price of gold would inevitably be raised much higher, has been removed. It is true that severe losses have been suffered by the decline in gold prices, but from a long term point of view the effect has been to place rational rather than sentimental values on gold shares.

Few will deny that there was excessive speculation in gold stocks. This condition has been remedied, and while the remedy has been costly, there is satisfaction in knowing that the market has now a rational viewpoint, and prices can be judged on the basis of actual development, with due regard to the larger question of the future of the metal itself, and the relative merits of base metal shares.

Senior Producers

In this regard, it is often forgotten that Canada's established gold producers and dividend payers were operating at a substantial profit when gold was selling at only $20.67 per ounce. While opinion on the gold question is sharply divided, only a minority among observers would predict that gold will be marked down to this former figure. Accordingly, it is logical to expect that the senior gold stocks can continue to yield a satisfactory profit, with due regard to individual conditions.

Since gold prices were "pegged" at $35 an ounce, there have, of course, arisen several young producers which are in a sound position and whose grade of ore places them, as far as the effect of lower gold prices is concerned, in the same class as the older mines. In other cases a few mines have in the past few years built up such substantial cash and liquid reserves as to be in an almost impregnable position.

* * *

Illusion of Surplus

An interesting sidelight has been thrown on the gold question by research work carried out by the Economic Research Division of the London School of Economics, as reported in a letter to the London Times by F. A. Hayek, of the University of London.

It is pointed out that under modern conditions practically all the monetary gold is used as a reserve against central bank liabilities and paper money circulation in the world. Accordingly, the question as to whether or not there is a surplus of monetary gold or of gold production can only be answered by reference to the aggregate value of these liabilities and note issues.

According to Mr. Hayek, research carried out by this group shows that by the end of 1936 stock of monetary gold in the world was only 73.5% of the total sight deposits of all central banks plus paper money circulation. At the same time, the value of annual gold production was only 3.31% of the same figure.

It is therefore plain that while these percentages have increased since 1931, they are hardly such that, with a reasonable distribution of gold, they would have to be regarded as very alarming.

The reason for the general impression of a superabundance of gold is that the gold is concentrated in a few countries, particularly the United States and Great Britain. For these two countries alone the proportion of their stock of gold to the sight liabilities of their central banks, etc., amounted at the end of 1936 to about 95%.

* * *

Development in Oils

One of the few bright spots in the market in recent weeks has been the western oil stocks, which have made measurable recovery from the slump which overtook them after activity earlier in the year.

Reason for this renewed interest is largely the success which has attended introduction of the acid treatment, although probably the fact that several important wells are nearing the production horizon has also something to do with the revival.

In view of the fact that it has been utilized in other fields, it is rather hard to understand just why it was not previously introduced into Alberta. However, the important thing is that it has been introduced, and has proved undeniably effective in increasing the crude oil flow. As the result of treating them with acid (usually hydrochloric acid), four wells have increased their total daily yield from 1,860 barrels daily to more than 4,400 barrels daily. These wells are Royalite Sterling Pacific No. 3, Royalite Sterling Pacific No. 4, Westside, and Turner Valley Royalties.

According to western sources, the acid method of treating wells worked its way up from southern States where it has been in use for many years. Introduction into Alberta is credited to the success which attended the process in the Kevin-Sunburst field of Montana, a field which was virtually raised from the dead by a shot of acid.

One probable reason for the fact that acid was not used in Alberta before was that it had proved rather ineffective in naphtha wells, and there was apparently no reason for believing that it would be successful in the new crude producers.

Treatment is said to cost only about $5,000, a sum which, at the rate of increase shown by the four above-mentioned wells, could be paid back in a few days production.

* * *

Wells Calendar

Turner Valley is rapidly approaching the time when it must undergo a further test on its productive possibilities. After a lull of some months, several wells, started after the preliminary success recorded last year and early this, are now nearing the producing horizon. Of the 30 wells now being drilled, Monarch Royalties is the deepest, and will be the first to reach the producing horizon. This well, and Royalite Sterling Pacific No. 5 are expected to reach the limestone horizon this month.

From then on, each month should produce its quota of completed wells, the peak being reached in September and October, until all 30 wells are accounted for.

The eyes of Canada, and the oil world, will be on Turner Valley for the next month or so.

* * *

Index to Mining Stocks

The general index of mining issues continued upward in the opening days of the week, the Dominion Bureau of Statistics' index mounting from 130.2 on June 24 to 134.7 on the 26. The uncertain European financial situation exercised a restraining influence subsequently and prices reacted to a minor extent. Golds held up fairly well under the leadership of the senior issues, while base metal showed a slight weakness. However, mining stocks closed the week ended June 30 with moderate gains, as prices on London and New York markets also moved higher. Sales volume remained small. The daily index for 24 mining issues moved up from 130.2 to 134.2 between June 24 and 30, with the gold section advancing from 102.6 to 104.9 and the base metals from 244.4 to 255.3.

Mining Dividends

	Rate	Close July 5	Yield %
Anglo-Huronian	20c	5.50	..
Beattie Gold	5c	1.20	..
Bralorne	40c+25c	6.65	*9.7
Buffalo Ankerite	50c+12½c	8.90	*7
Bulolo Gold	$1.50	24.25	..
Cariboo	10c	1.42	7
Central Patricia	8c	2.65	..
Coniagas	12½c	2.00	..
Coniaurum	5c	1.19	..
Cons. Smelters	50c+$1	78.50	..
Dome Mines	$2+$2	40.25	*9.9
Falconbridge	30c	7.75	3.9
Hollinger	65c+45c	11.50	*9.5
Howey Gold	4c	.32	..
Hudson Bay	75c	28.50	..
Island Mountain	‡5c	.65	..
Inter. Nickel, com.	$2	59.50	3.3
Inter. Mining	30c	11.12	..
Kerr Lake	5c	.50	..
Kirk. Lake	‡3c	1.28	..
Lake Shore	$4+$1	49.50	*10.1
Lava Cap M.	5c	.91½	..
Little Long Lac	20c	5.10	..
Macassa	15c	5.35	..
McIntyre	$2	35.65	5.5
McKenzie Red Lake	4c	1.24	..
McKinley Sec.	5c	.50	..
McWatters Gold	5c	.43	..
Noranda	$1.75	60.25	..
Nor. Can. Mining	12c	60.25	..
Nipissing	25c	2.50	..
Placer Develop.	†80c	15.00	..
Premier	12c+1c	2.45	*5.3
Pioneer, B.C.	40c	3.70	*10.8
Pickle Crow	40c	5.50	7.3
Reno	12c	.80	15
San Antonio	7c	1.34	..
Sheep Creek	8c+1c	.78	*11.5
Siscoe	20c+1c	3.50	*6
Sudbury Basin	†10c	3.45	..
Sullivan Cons.	†2½c	1.15	..
Sylvanite	20c+5c	3.20	*7.8
Teck-Hughes	40c+5c	4.80	*9.4
Toburn	8c	2.25	3.6
Ventures	†12½c	7.05	..
Wright-Harg.	40c+25c	6.10	*10.6

†Interim. ‡Initial.
*Yield includes bonus.

Ottawa Issues Report On Echimamish Area

Although the results of exploratory and development work carried out in the Echimamish area, northern Manitoba in 1936 were not as encouraging as the early discoveries would have indicated, it is likely that the area will again receive considerable attention rfom prospectors this year, especially those parts of it that have not been actively prospected. In their work prospectors will have the guidance of a preliminary report (paper 37-18) issued recently by the Geological Survey Division, Department of Mines and Resources, Ottawa, and based on examinations made by T. L. Tanton in Sept., 1936. Accompanying the reports are two preliminary detailed geological maps. Copies of the reports and the accompanying maps may be obtained from the Chief, Bureau of Geology and Typography, Department of Mines and Resources, Ottawa.

Shaft Sinking Started At Harricana Amalgamated

Shaft sinking, begun about ten days ago at the Val d'Or property of Harricana Amalgamated Gold Mines, is proceeding satisfactorily, J. C. R. MacPherson, engineer in charge reports. Three shifts are now being used, and at last reports the three-compartment shaft had reached a depth of 25 feet. Timbering will be started, and the headframe erected. Sinking is expected to advance at the rate of six feet per day.

Acid Continues To Boost Flow Of Turner Oil

Treatment Has Proved Amazingly Effective at Every Test

ACID SHORTAGE

From Our Own Correspondent

CALGARY. — Royalite-Sterling Pacific 4 is producing between 1,900 barrels and 2,000 barrels of crude oil daily; the Foundation well is producing 900 barrels daily; Advance 5A is showing an increase in production and Turner Valley Royalties has settled down to a steady flow of 1,500 barrels daily, all as the result of acid treatments.

As a result of an acid treatment, Turner Valley Royalties is producing 1,500 barrels daily, worth $2,640, compared with 550 barrels, worth $968 daily, before the treatment. Royalite-Sterling Pacific 4 is yielding a revenue of more than $3,000 daily compared with $1,760 before the acid treatment.

Advance 5A and Foundation

Advance 5A and Foundation have been too recently treated with acid to determine the settled production, but the flow at last report was in excess of 900 barrels daily and the settled production is not expected to be much less than that figure. Imperial officials have issued no figures concerning Advance 5A, but they have stated there has been an increase in the daily yield.

The first crude well to be treated with acid was Royalite Sterling Pacific 3. Two acid treatments boosted the yield from 85 barrels daily to a steady settled flow of 270 barrels. That success, entirely unexpected, because acid treatments in the past have had, on the whole, little effect on naphtha wells in the field, started a demand for acid which firms in the east, for a time, were unable to meet.

The Westside Royalties well is to be given an unusually extensive acid treatment. Westside was treated with acid some time ago and the flow was boosted from 225 barrels daily to a settled flow of between 390 and 400 barrels daily. Recently another 8,000 gallons (compared with the usual quantity of 5,000 gallons) was poured down the hole for a second treatment, and the well is expected to settle down to a daily crude oil flow of about 500 barrels.

Sladen Plans 250-Ton Mill

Andrew Walz Values Ore at $2,800,000 at Present Development

On the recommendation of Andrew Walz, consulting engineer, directors of Sladen Malartic Mine have decided to complete immediately construction of a 250-ton per day mill.

Mr. Walz estimates the present ore position of the mine to be a total of 400,000 tons grading $7 per ton made up 300,000 tons in the west ore body and 100,000 in the east ore body on the bottom level where the possibilities are still open in both directions.

At a capacity of 250 tons per day, a grade of ore of $9 per ton is available in volume, Mr. Walz states. Funds for ample expansion would result from this scale of operations. Conditions on the Sladen favor low cost production and Mr. Walz estimates operating costs at under $4 per ton.

Bousquet Now Faces Complete Shutdown

Faced with disappointing results, both above and below the 450-ft. level, and the closing down of operations, Bousquet Gold Mines, in the Sudbury area of Ontario, is summoning an annual and general meeting of shareholders to deal with the problems facing the company.

Lionel Brooke, president, states that the search for additional ore below the 450-ft. level has been unsuccessful. Ore above this level has been extracted, and while checking fairly closely with preproduction estimates, has not given the grade anticipated. This is blamed on the fact that grade between levels did not measure up to that obtained by actual drifting, on the 150- and 300-ft. levels. Production to date has amounted to $155,671.

There is now, Mr. Brooke states no recourse but to close down operations and sell the mill to pay off the indebtedness of George Webster, who financed its construction. There are no other creditors, the president states.

Changes Are Made In Monarch Board

In a recent article appearing in The Financial Post in connection with Monarch Royalties, directors were unfortunately listed without reference to changes made in the board at the annual meeting held in May.

Charles C. Ross, former Minister of Mines and Natural Resources of the province, is now president, A. K. Leitch, vice-president, and H. E. Howard, secretary-treasurer. Directors are F. P. Byrne, W. Gordon Egbert, both of Calgary, and Walter S. Campbell, of Edmonton.

Cariboo Gold Quartz Recovery Is Higher

Bullion produced during the five-month period ended June 30, 1937, at Cariboo Gold Quartz Mining Co., in the Cariboo area of British Columbia amounted to 10,425 fine ounces of gold, from 24,297.4 tons of ore milled. This works out to a recovery of about .42 ounces of gold per ton, a considerably higher grade than that treated throughout 1936, when average recovery per ton amounted to 0.39 ounces, despite smaller tonnage handled.

News Concentrates

Alkenore Buffalo reports discovery of another mineralized zone of promise on its property near Sioux Lookout. J. G. Harris, consultant, reports that surface work has uncovered a parallel section on a ridge 100 feet to the south. Because of heavy oxidization further sampling will await the completion of a crosscut now being blasted across the showings. No. 10 zone is located in the northeast section of the property, about 1½ miles from Nos. 3 and 9 zones and two miles from the main camp.

* * *

Bralorne Mines, Bridge River, B.C. producer, reports that June production amounted to 6,819 ounces from 13,890 tons. This compares with May output, of 6,624 ounces from 14,244 tons.

* * *

Dawson-White Gold has begun shaft sinking under power at its Sturgeon Lake property. Shaft objective is 300 feet, and levels are to be established at 100-foot intervals. Dawson-White has dewatered the old shaft sunk by former operators, and in the drift at a shallow horizon sampling disclosed $10 values across three feet for the 20 odd feet of drift length.

* * *

Denison Nickel Mines has blocked out an ore body with a length of 150 ft. and an average width of 20 ft. on the 200-ft. level of its Sudbury district property, says John C. Rogers, consultant. For every 100 ft. of depth, with the above length and width, indications point to 30,000 tons of ore, Mr. Rogers states. Sampling returned an average of 1.30% copper and 1.82% nickel, with a precious metal content which has been calculated at $5.

* * *

Freegold Mines in Launay twp., Quebec, reports that first drifting on the 125-ft. level established on the completion of shaft sinking is in vein material, with visible gold in quartz and associated with sulphides being noted in a sample.

* * *

Lavalie (Quebec) Mines, subsidiary of Lavalie Mines and formed to develop a group of claims to the northwest of Quebec Manitou, reports that surface work has picked up two sections of interesting-looking material. One of these contains white pyrite, which occurs regularly with zinc. Gold indications have also been disclosed, and test-pitting for sampling is now going ahead. J. J. Coghlan heads the Lavalie group.

* * *

Harpers Malartic Gold Mines with holdings of about 1,200 acres adjoining Dubuisson Goldfields in Malartic twp., Quebec, is calling tenders shortly for diamond drilling. Considerably over 2,688 lineal feet. of trenching has so far been done, and results obtained in this work are said to justify a more extensive exploration campaign.

* * *

Monetary Metals will consider at its annual meeting repeal of a previous by-law dealing with the sale of the company's Red Lake properties to Eros Mines. Shareholders will also be asked to consider and enact if approved an application for supplementary letters patent increasing Monetary Metals' capital to 1,500,000 shares by creation of an additional 500,000 shares of $1 par.

* * *

Obalski Mining Corp. J. R. Giroux, president and managing director at the Cache Bay, Quebec property, informs The Financial Post that actual width of the quartz vein intersected by recent drilling is 59 inches, of which 37 inches assayed 2.71 ounces per ton; and 22 inches assayed 0.28 ounces per ton, giving an average value over the 59 inches of $63.13.

* * *

Pioneer Gold Mines, Bridge River, B.C. producer, reports that June production is valued at $186,000. Expenses, before deducting depreciation, depletion, and taxes, totalled $84,000 leaving an operating profit of $102,000. May profit, on a similar basis was $101,000 and April's $96,000.

* * *

Yama Gold Mines has located a heavy sulphide vein on its No. 3 Larder Lake property, the consultant reports, with three and possibly four parallel breaks on the No. 2 property. Two claims have recently been acquired on the east boundary of the No. 2 property. Yama's No. 1 group is in Kirkland Lake district, on a line northeast of Wright-Hargreaves.

* * *

Young-Shannon Gold reports that stripping on its 600-acre property adjoining Waite-Amulet has discloed showings similar to the Waite and Amulet outcrops. Beattie Mines has acquired the ground between Young-Shannon and Newbec Mines.

Macassa Profit At Higher Rate

Earnings for First Five Months at Eight Cents a Share

An earnings scale considerably higher than a year ago is indicated at Macassa Mines, Kirkland Lake producer, on the basis of estimated earnings for the first five months of 1937. In this period, net earnings of eight cents per share have been estimated, whereas in the nine-month period ended Dec. 31, 1936, net earnings totalled 14 cents per share.

Following is an official estimate:

Estimated Earnings
Five Months Ended May 31, 1937

	$
Gross value of production	545,401
Add: Sundry revenue	8,796
Total income	554,197
Less: Devel., oper., gen. chgs. & admin.	226,834
Reserve for taxes	33,651
Deprec. & expl. w/o	76,345
Estimated net profit	217,367
Estimated earnings per share	$0.08
Tons Milled	34,298
Recovery per ton	$15.90

"King of The North" Goes Under Hammer

From Our Own Correspondent

QUEBEC.—First sale of a mining concession in the province by public auction will take place here in the near future when a concession which was formerly owned by the King of the North Gold Mines will be put up for auction.

Originally scheduled to be sold at the end of June, the auction was deferred for a couple of weeks by the Minister of Mines in Quebec, with no reason advanced. It now goes on sale in mid-July, with an upset price of $15,500.

The concession is in Beauchatel township, Temiscamingue county.

Sale of Naybob Stock Is Stopped by SEC

On the grounds that the registration statement filed with the Securities Exchange Commission at Washington, D.C., omits material facts and includes "untrue statements of material facts," the S.E.C. has suspended the effectiveness of the registration, and a stop-order on the sale of stock in United States has been issued.

Naybob Gold Mines, incorporated in 1934, acquired the properties of Hayden Gold Mines 3½ miles south of Timmins, Ontario.

Thompson-Cadillac Increases Issued Stock

From Our Own Correspondent

MONTREAL. — Thompson-Cadillac Mining Corp. has notified the Montreal Curb Market that in connection with the rights granted to shareholders, a total of 5,000 shares was purchased by the shareholders, bringing the total issued and outstanding capital to 3,005,000 shares.

The rights entitle shareholders to purchase one share at 75 cents a share for each 10 shares held as of May 15. The rights expired on June 16.

Perron Gold Recovery $36,682 in Half Month

From Our Own Correspondent

MONTREAL.—Perron Gold Mines recovery for the first half of June was valued at $36,682. During this period the mill operated at 99.82% of possible running time on a daily average of 343.73 tons of ore.

In his report on development work, J. P. Norrie, general manager, states that the downward extension of the 196 vein was located by diamond drilling, and the upward extension of 190 vein in 5.4 ft. assaying $11.55.

The extension of the 610 vein in the 600-ft. level was located in 1.5 ft. assaying $30.10. A vein was also located 55 ft. north of the face of the 600 north crosscut in 2.2 ft. of mineralized quartz, assaying $25.90.

During the first half of June, 5,156 tons of ore went to the mill, assaying $7.30.

Paymaster Grade Higher in 6 Months

Paymaster Consolidated Mines, Porcupine producer, reports production for June at $104,047, from 14,327 tons of ore treated, or an average recovery of $7.26 per ton. This compares with May production of $105,538 from 13,284 tons, or an average per ton recovery of $7.95.

Production for the first six months of this year amounted to $607,256 from 81,191 tons, or an average recovery of $7.47. In the similar period last year, average recovery was $6.71 per ton.

Recovery Higher At Siscoe Gold

June production of $220,656 is reported by Siscoe Gold Mines, Quebec producer, from the treatment of 17,004 tons of ore. This works out to a net recovery per ton of $12.97, as compared with an average recovery per ton in May of $12.41.

During the first six months of this year, Siscoe has produced $1,319,549 from 94,339 tons milled, or an average per ton recovery of $13.98.

Normetal Mining Corp. Sells Optioned Stock

MONTREAL.—Normetal Mining Corp. has notified the Montreal Curb Market that 75,000 shares of treasury stock have been issued at 75 cents each under the terms of the underwriting agreement. This brings the issued shares up to 3,138,118, with 619,362 additional shares underwritten at 75 cents a share.

E. K. De Beck Named Brokers' Superintendent

From Our Own Correspondent

VANCOUVER.—E. K. De Beck, Vancouver lawyer, has been appointed superintendent of brokers for British Columbia, succeeding H. G. Garrett, who had held the post for six years in addition to his other duties as inspector of joint stock companies and superintendent of insurance.

Mr. Garrett will continue to hold the latter two positions, but he asked to be relieved of the other duties some time ago owing to the pressure of work involved.

Mining Company Charters

Acme Placer Mines—Que. incorp. May 27, 1937. H. O. Montreal. Auth. cap. 200 shares, $100 par.

Bel-Inca Gold Dredging—Dom. incorp. June 4, 1937. H. O. Toronto. Auth. cap. 2,000,000 shares, $1 par.

Codelor Mining Syndicate—Ont. incorp June 8, 1937. H. O. Toronto. Auth. cap. 35,000 shares, $1 par.

Doresa Gold Mines—Que. incorp. June 2, 1937. H. O. Quebec, Que. Auth. cap. 3,500,000 shares, $1 par.

Fraser Leaseholds—B. C. incorp. June 3, 1937. H. O. Suite 20, 163 Hastings St. W., Vancouver, B.C. Auth. cap. 15,000 shares, $1 par.

International Beryllium Mining Syndicate — Ont. incorp. June 3, 1937. H. O. Toronto. Auth. cap. 35,000 shares, $1 par.

Mars Delora Gold Mines — Ont. incorp. June 7, 1937. H. O. Toronto. Auth. cap. 3,000,000 shares, $1 par.

Midway Malartic (Quebec) Ltd. — Que. incorp. May 31, 1937. H. O. 187 Main St., Hull, Que. Auth. cap. 95,000 shares, $1 par.

Minaki Mining & Development Co.—Ont. incorp. May 31, 1937. H. O. Kenora, Ont. Auth. cap. 300,000 shares, n.p.v.

Mount Royal Mines—Que. incorp. May 25, 1937. H. O. Montreal. Auth. cap. 3,000,000 shares, $1 par.

Neely Lake Gold Mines — Alta. incorp. May 25, 1937. Auth. cap. 20,000 shares, $1 par. H. O. Edmonton, Alta.

Northern Yellowknife Mines — Alta. incorp. May 25, 1937. H. O. Edmonton, Alta. Auth. cap. 50,000 shares, $1 par.

Nyter Patricia Mines—Ont. incorp. June 3, 1937. H. O. Toronto. Auth. cap. 3,000,000 shares, $1 par.

Quebec Mining Explorers—Que. incorp. June 7, 1937. H. O. Montreal. Auth. cap. 99,900 shares, $1 par.

Slocan Arlington Mines Development Co. —B. C. incorp. June 7, 1937. H. O. Harrison Bldg., Main St., Penticton, B.C. Auth. cap. 50,000 shares, 25 cents par.

Tea-Kay Quebec Mining Co. — Que. incorp. May 29, 1937. H. O. Hull, Que. Auth. cap. 20,000 shares, $1 par.

Chiboug Gives New Results

"Wet" Vein on 500-ft. Level Opened Up for 300 Feet

Development of the "wet" vein on the 500-ft. level at the property of Consolidated Chibougamau Goldfields, under management of Consolidated Mining & Smelting Co. was the outstanding development at this property during the period between March 18 and June 21.

This vein, located under the lake, and about 500 ft. southeast of the shaft, has been drifted on for a length of 300 ft., 8 ft. in width, and shows an average value of .23 ounces gold and 2.63% copper per ton.

Bringing the picture up to date, the following table shows the results of all ore developed at Cedar Bay from the beginning of operations to date on the two levels:

	Length Width ft. ft.	Gold oz. per ton	Copper %
250-ft. Level:			
204 Drift East:	154 x 2.6	.23	1.13
	35 x 1.5	.60	2.23
210 Drift West:	140 x 4.1	.30	.62
215 Drift East	128 x 3.6	.32	1.77
	25 x 4.2	.14	.77
215 Drift West and 215A Drift East:	45 x 4.0	.15	1.95
219 Drifts East and West:	206 x 1.7	.17	.82
221 Drift South	35 x 5.1	.43	3.20
500-ft. Level:			
404 Drift West:	90 x 2.4	.34	1.62
411 Drifts East and West:	25 x 3.8	.12	1.11
	25 x 2.4	.24	1.63
416 Drift East:	27 x 3.0	.13	.74
418 Drift East:	90 x 2.7	.19	2.30
419 Drifts East and West:	70 x 4.8	.32	2.06
422 Drifts East and West ("Wet" Vein)	300 x 8.0	.23	2.63

Dom. Foundries & Steel Pays 25 Cents a Share

A dividend of 25 cents a share has been declared on the 132,000 shares of common stock of Dominion Foundries & Steel Ltd., payable July 15 to holders of record June 30. It is the first cash dividend on common since 1920, and reflects the success of the company's diversification of products in the last three years, particularly manufacture of tin plate. Regular dividends are being maintained on the $1.2 million of 6% preferred stock.

Late last year the company split its common shares four for one, making a total of 96,000 shares, and recently issued another 36,000 shares to stockholders and employees at $15 a share.

The company's tin plate mill has been operating at capacity for some months.

Montreal Stock Trading Records Sharp Drop in May

MONTREAL. — The volume of trading on the Montreal Security Market during June showed a sharp decline, both in industrial and mining stocks. Turnover on the Montreal Stock Exchange and Montreal Curb Market totalled nearly 1.6 million shares, compared with 2.8 million shares in May and 5.3 million shares in June last year.

Industrial turnover dropped to 521,539 shares, from 589,377 shares in the same month last year. Mining stocks recorded a turnover of less than 1.1 million shares as against 4.7 million shares in June last year.

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Nesbitt, Thomson and Co. Marks 25th Anniversary

From Our Own Correspondent

MONTREAL. — Nesbitt, Thomson & Co., investment dealers, celebrated its 25th anniversary on July 2. During this period the firm has specialized in underwriting and distribution of public utility and general corporation securities, and in the past few years has become identified with the mining industry through financing a number of properties.

From the original office in Montreal, the company has expanded until it now operates branch offices in a number of the more important cities across the country.

A. G. Muir, for five years at head office in Montreal, has been appointed the company's representative at Moncton, N.B. Mr. Muir has had considerable experience in the investment business and latterly has specialized in analysis of securities.

International Paper Co. Stock Offer Is Limited

MONTREAL.—International Paper & Power Co.'s offer to issue its shares in exchange for stock in International Paper Co., will be terminated on July 15.

Prior to that time International Paper's shareholders may exchange their shares for shares of International Paper and Power Co. on the following basis:

For each share of 7% preferred, one share of 7% preferred; for each share of 6% preferred, one share of 6% preferred; for each share of common stock, one share of class A common, one share of class C common and one share class D common of International Paper and Power Co.

The stock of International Paper and Power received in exchange will qualify for the stock to be issued under the plan of reorganization.

Burlington Steel Plant Operating at Capacity

Burlington Steel Co., Hamilton, has been handling very much larger tonnages than last year, according to a statement by J. B. Carswell, president, in Canadian Machinery and Manufacturing News.

"Our plant," he says, "is working at full capacity with a maximum number of employees."

The increased tonnage is caused largely by forward buying by customers during the period of increased prices, Mr. Carswell states. He comments: "This forward buying has reached its peak and is now dying off, but behind it we think we see a good healthy market, substantially better than last year."

Red Crest Gold Mines Sells Block of Shares

From Our Own Correspondent

MONTREAL. — Red Crest Gold Mines has notified the Montreal Curb Market that 30,000 shares have been taken up at 35 cents a share under the terms of the option agreement. There now remain under option 370,000 shares at 35 cents each, 500,000 shares at 50 cents a share.

Railway Earnings

Canadian National

	1937	1936	Increase
	$	$	$
May—			
Oper. rev.	16,870,826	15,400,121	1,470,705
Oper. exps.	15,204,576	14,466,370	738,206
Net rev.	1,666,250	933,551	732,699
Five Months—			
Oper. rev.	78,904,413	70,721,663	8,182,750
Oper. exps.	72,671,653	68,256,065	4,415,588
Net rev.	6,232,760	2,465,598	3,767,162

Canadian Pacific

	1937	1936	Increase
	$	$	$
May—			
Gross earns.	11,834,197	11,222,507	611,690
Work. exps.	10,259,978	9,772,218	487,760
Net earns.	1,574,219	1,450,289	123,930
Five Months—			
Gross earns.	55,371,298	51,086,736	4,284,562
Work. exps.	48,306,255	45,471,285	2,834,970
Net earns.	7,065,042	5,615,450	1,449,592

Public Utility Earnings

Jamaica Public Service

	1937	1936
	$	$
May—		
Gross earnings	76,052	69,063
Net earnings	32,119	25,378
Surplus after charges	23,240	16,745
12 Months End. May 31—	1937	1936
	$	$
Gross earnings	885,393	872,337
Net earnings	356,706	353,104
Surplus after charges	255,100	249,189

East Kootenay Power Co.

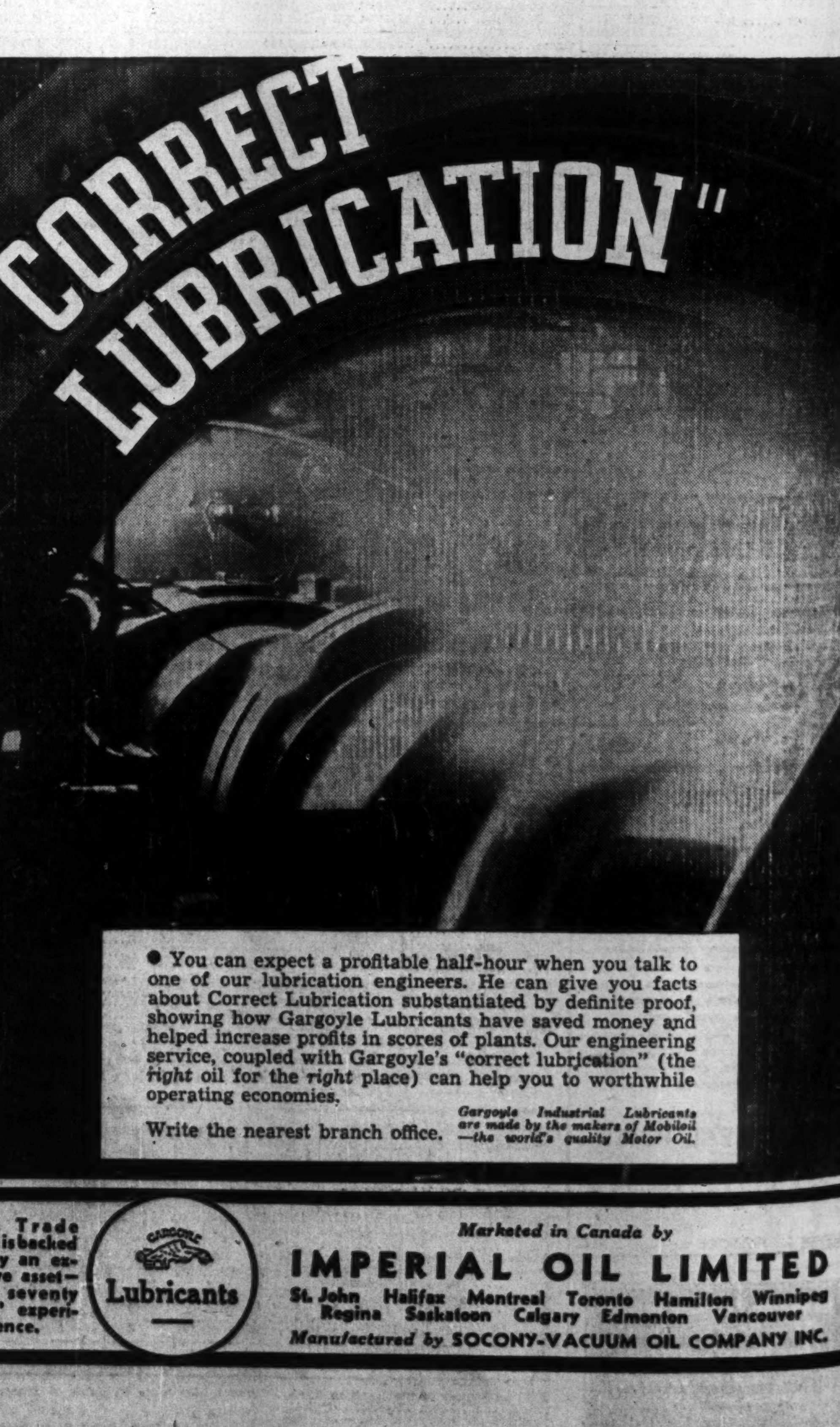
	1937	1936
	$	$
May—		
Gross earnings	41,449	35,610
Operating expenses	12,641	11,267
Net earnings	28,808	24,343
Two Months End. May 31—	1937	1936
	$	$
Gross earnings	90,316	70,890
Operating expenses	28,281	23,607
Net earnings	62,035	47,283

Winnipeg Electric Co.
May

	1937	1936
Gross income	$ 543,122	$ 520,585
Expenses and taxes	324,043	297,967
Net revenue	219,079	222,618
5 Months Ending May		
Gross income	$2,936,929	$2,868,201
Expenses and taxes	1,669,047	1,601,828
Net revenue	1,267,882	1,266,373

Canada Northern Power

	1937	1936
May:	$	$
Gross earnings	408,285	373,887
Operating expenses	165,390	[illegible]
Net earnings	242,895	[illegible]
5 Mos. end. May 31:		
Gross earnings	1,999,622	[illegible]
Operating expenses	815,227	[illegible]
Net earnings	1,184,395	[illegible]



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Conquering the Cariboo Curse

Australian Engineer Opens Way For Development of British Columbia Gold Property—Millions of Gallons of Water Drained From Underground Pre-glacial Creek

By **WILFRID SANDERS**
Mining Editor, The Financial Post

Many, many years ago, presumably before that part of North America was covered with a glacial ice cap, a small creek flowed through the Cariboo Valley in British Columbia, depositing in its gravel bed, tiny flakes of gold.

During the past centuries, the bed of this creek has been materially changed, and now flows along some 190 feet above its ancient bed.

Today, after nearly three years of painful effort, and after the expenditure of some $800,000, a crew of miners have burrowed into this pre-glacial creek bed, are removing the gold-bearing gravels, and recovering the gold.

The story of Consolidated Gold Alluvials of B. C. will not, of course, enter its final chapter until sufficient gold has been recovered to pay back the enormous cost involved, and something beside.

In the 12 months ended 1936, the company, from its two operations, the Sanderson and Melvin Mines, (the latter not yet in regular production,) produced 6,800 ounces, valued at $210,482. Today it is operating at a small profit, if pre-production costs are disregarded.

Curse of the Cariboo

At first glance, it would not appear to be a particularly hard engineering task to mine out gravels less than 200 feet below the surface. Because of peculiar conditions, however, this task has been the despair of Cariboo miners for years, and has, until recently defied all previous attempts.

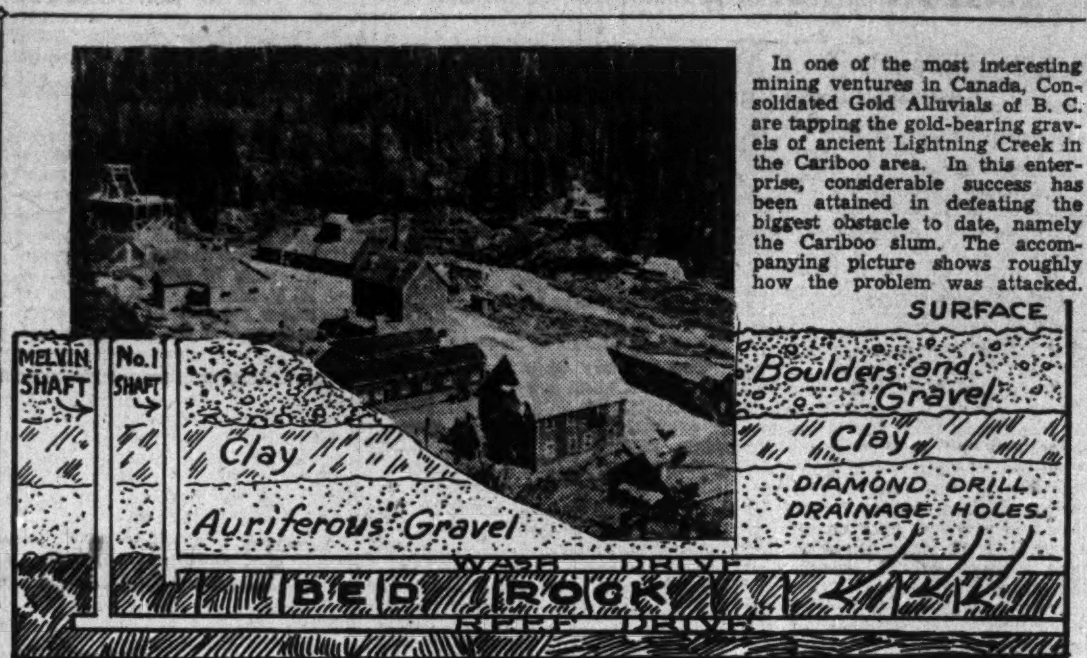
Chief of these peculiar conditions is what is known to miners in this locality as the Curse of the Cariboo, in the form of a fine silt or slime, which is known as Cariboo slum. The slum, which occurs in layers throughout the gravelly deposits, has made operations on gold-bearing gravels impossible. It cannot be shovelled, any more than one can shovel molasses. It cannot be pumped out, as the gritty particles in the grey-green solution ruin the pumps. Geologists and engineers agree that if the Curse of the Cariboo could be removed, many square miles of deposits in British Columbia, and perhaps in other parts of Canada, would prove to be profitable gold-bearing areas.

Therein lies the true significance of the work being done at Wingdam, B.C.

Consolidated Gold Alluvials, which was formed in 1930, has had a chequered career, and some episodes in its past have shaken severely the public's confidence in the enterprise. Elements in the board of directors responsible for these episodes have now, The Financial Post believes, been rendered ineffective. Since the new management took over there has been no public subscription, and it is not thought likely that there will be any. British capital has financed the current operations.

The real turn in the affairs of the company came in July, 1934, when Major D. Campbell MacKenzie, an engineer from Australia, was dispatched to this property. After examination, Major MacKenzie recommended attacking the ancient creek bed in an entirely new, and yet amazingly simple manner. Major MacKenzie remained to see his method, already in use in Australia, vindicate itself against the Curse of the Cariboo.

The system of deep lead mining now in use at Wingdam is shown diagramatically in the accompanying picture.



In one of the most interesting mining ventures in Canada, Consolidated Gold Alluvials of B. C. are tapping the gold-bearing gravels of ancient Lightning Creek in the Cariboo area. In this enterprise, considerable success has been attained in defeating the biggest obstacle to date, namely the Cariboo slum. The accompanying picture shows roughly how the problem was attacked.

Briefly, the plan of attack was a huge drainage process. Former operators had sunk shafts into the overburden and gravels to the level of the old creek bed, and then sought to drive tunnels, or drifts, directly into the gravelly bed. Bursting through with irresistible force, the slum had swept everything before it, and had balked their efforts.

Major MacKenzie sank a shaft down through the overburden to the creek bed, and kept on going until he reached bed rock. The shaft was then continued to a depth of about 75 feet into the bed rock. Ordinary mining methods were used to drive a "reef drive" through the bed rock at this depth. At intervals of about 80 feet, diamond drill holes were then driven upward into the gutter of the old creek bed. As Major MacKenzie expected, millions of gallons of water poured down these holes into the reef drive.

When this method was started, oldtimers shook their heads, and said that the water would be loaded with the slum, and so would ruin the moving parts of the pumps. However, it has been now amply demonstrated that the gravel bed underlying the slum acts as a filtering medium, allowing comparatively clear water to enter the reef drive.

From Jan. 1, 1936 to Dec. 31, 1936, the colossal total of 338,900,000 gallons of water from this old creek bed was pumped to the surface. By March, 1937, some 807,000,000 gallons had been removed.

A Waterless River

In April last year, the hydrostatic pressure in the old gutter amounted to 60 lb. per square inch. By the end of the year this had been reduced to 7 lb. per square inch. By Jan. 28, 1937, the pressure had declined to the point where it was at long last thought safe to enter the old bed of Lightning Creek. A raise from the reef drive was utilized for this purpose, and at 2.30 a.m. on the morning of Feb. 8, the crosscut was driven through the rim rock into centuries old channel of the Creek.

It was the first time in the mining history of this continent that such a channel, heavily charged with water, had been safely entered.

If the enterprise fails to become profitable, it will be because the gold was not there, not because of the sinister Cariboo Curse.

Recently, the writer, not without a certain feeling of awe at the antiquity involved, entered the hidden bed of the long silent stream, where miners are now shovelling, in safety, the gold-bearing gravels into cars, for hoisting to the surface. Lenses or stratas of the notorious Cariboo slum could be seen, standing firm as cheese in the face of the drift, rendered as workable as any country rock, by the fact that its great ally, water, had been removed.

Ambitious Objective

The main objective of the Consolidated Gold Alluvials has been this very creek bed, or gutter. For some time, the company has been extracting gold from the interglacial, or younger gravels through the Sanderson mine. The company's immediate objective is the production in both the Sanderson and Melvin Mines of a million ounces of gold in the 12 months to end March 31, 1938.

This seems rather ambitious unless major increases are made in the volume of gravel mined at both operations. The Melvin Mine was not in regular production at the time of The Financial Post's visit, production being more or less on a test basis. In April, latest month for which figures are available, some 282.21 ounces of gold were obtained from about 1,000 cubic yards treated. Major MacKenzie hopes to progressively increase production, until a minimum of 100 ounces per working day is reached. On this basis, he expects that this operation will be about depleted in five years, by which time it is hoped a second major operation will have been started.

At the Sanderson Mine, the major source of production to date, 112 cubic yards of gravel were being handled per day at the time of The Post's visit, averaging about $7.87 per cubic yard. Costs are not available, nor is an estimate of ore reserves, on which the potential life of this operation could be estimated, included in the company's recent annual report. It is, however, planned to double the output from this mine, but before doing so sufficient reserves to warrant such an increase must be developed.

This operation has been successful in so far as proving the efficacy of the Australian deep lead mining methods. It has yet to prove that it is commercially profitable.

Once a day, the company "cleans-up" the heavy, gold-bearing material which has collected in the riffles at the bottom on the sluice boxes. A new concentrator and amalgamator is being used, devised by L. I. Lorentsen, who has already had satisfactory results from a rotary amalgamation device, utilizing mercury and centrifugal force.

Your Mining Stocks

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Manley Quebec

Some shares in Manley Gold Mines have been left me as part of a small estate, could you evaluate them for me?

Manley Gold Mines Ltd. was succeeded in 1934 by Manley-Quebec Gold Mines on a basis of three new shares for five old. The last address we have for Manley-Quebec Gold Mines is 304 Bay St., Toronto, Ont. This company had an authorized capitalization of 3 million shares, $1 par, of which, at last reports, 1.5 million had been issued. Last November the company reported that it held no property and that its assets were negligible. It is still, as far as we are aware, inactive and the stock is not quoted.

Sylvanite Gold

Sharp fluctuations in the price of Sylvanite Gold Mines, of which I am a shareholder, have alarmed me, although at present prices I would still show a profit if I sold. What is your opinion of this stock at present levels?

Sylvanite Gold Mines, whose stock has dropped from a high of $4.80 in February, 1937, to a low of $2.70 per share in April and is currently selling at around $3.10 per share is, in our opinion, conservatively priced at the present figure. This company is exceptionally well managed and at present prices is yielding some 8% on its stock. The property at Kirkland Lake has given an unusually good account of itself and estimates of broken ore reserve at the end of Mar. 31, 1937, showed an increase over the previous year. Net earnings per share in the fiscal year ended March 31, 1937, amounted to 29 cents against 26 cents the previous year. Dividends in the last fiscal year amounted to 25 cents per share as against the previous 20 cents. A comparison of 1937 with 1936 operations shows a continued increase in production and substantial increase in earnings in spite of slightly higher operating costs due chiefly to an enlarged programme of development and exploration. This programme has proved itself justified.

In addition to the Kirkland Lake property, the company, through its operating subsidiary, Erie Canadian Mines, has an interest in several outside ventures, such as Delnite Mines Ltd., which recently placed its new 200-ton mill in operation, and Tyranite Mines Ltd., which is a prospect.

During the coming year mill production at Sylvanite will be increased to not less than 500 tons per day and with many levels still almost entirely undeveloped down to 3,600 feet, the outlook for this property, barring any major change in the price of gold, appears bright.

Dorval Siscoe

I would be pleased if you would forward me any information available on the financial affairs of the Dorval Siscoe Mines Co.

The latest financial statement issued by Dorval Siscoe Gold Mines was as at Dec. 31, 1936, at which time the company showed $71,196 cash in the bank against accounts payable of $17,944. At a special meeting on June 17 last, shareholders approved the formation of a new company of the same name with a Quebec charter so that the company may continue operations in Quebec as new regulations demand. The present company will be acquired on a share for share basis and wound up. The new company will have an authorized capital of 4 million shares and 1 million shares will be obtained to Que-On Mines as formerly. This option extends until July, 1938, and is priced at 58 cents per share.

On the company's property in Varsan Twp., County of Abitibi, Que., a three-compartment shaft is being put down and at last reports was at a depth of about 350 feet. No ore has been blocked out as yet and the property remains a prospect.

Lake Rowan

Please give me your valued opinion as to shares of Lake Rowan Gold Mines as a fair speculation.

Lake Rowan Gold Mines is in the Red Lake area of Ontario. This property, of course, is still a prospect, which has obtained favorable results at Discovery Hill, where the company is driving an adit 80 to 100 feet below the vein system. At last reports the tunnel has been driven 480 feet with assays completed to 438 feet with encouraging values. Including the exploration done by diamond drilling east of the tunnel the vein has now been proved to about 780 feet with both east and west ends still open. Capitalization of the company is 3 million shares. Of these 1,975,407 were issued and outstanding as at March 31, 1937, and of this amount 975,000 are pooled until October, 1938. At the end of March the company reported cash on hand and marketable securities a little over $200,000 with only small current liabilities. The management, we believe, is sincere.

Premier Gold

Kindly favor us with a report on Premier Gold Mining Co. Ltd.

Premier Gold Mining Co. is now principally a holding and development company with interest in gold mining operations in British Columbia, Alaska, Arabia, Australia and Central America. The Premier Mine formerly operated directly, has been merged with three adjoining properties to form Silbak Premier Mines Ltd. in which Premier Gold Mining Co. Ltd. holds half the issued shares. All profit derived from the Premier Mine until May 15, 1937, went to the company.

A net profit of $960,434 was earned in the year ending Dec. 31, 1936, equivalent to 19 cents a share as against 35 cents in the previous year.

New interests acquired during 1936 included an 11% interest in the Saudi Arabian Mining Syndicate which operates in Arabia and controls an ancient mine with a dump containing 450,000 long tons of ore averaging over $14 per ton. A third interest in control of Continental Kirkland Mines Ltd. was acquired on a purchase and option basis. This company holds a property at the eastern end of Kirkland Lake field adjoining Toburn Gold Mines, already a Premier subsidiary. The Toburn Mine has paid dividends for the last three years and development work in 1936 was successful in increasing ore reserves considerably.

Working capital of Premier amounted to $2,124,141 as at Dec. 31, 1936. Dividends were continued during 1936, at 16 cents per share per annum.

One of the major interests of the company at the present time is at the Big Bell Mine in western Australia, where a 1,000-ton mill is nearing completion. Premier Gold Mining Co. holds a 40% interest in this mine, which has developed an ore body 1,200 feet long, averaging $6.47 per ton across a width of 78 feet at the 250 foot level.

1937 Output of B.C. Mines May Hit Peak

Placer Gold Development, Copper Contracts May Swell Total.

VALUES HIGHER

From Our Own Correspondent

VANCOUVER. — Substantial increase in the value of British Columbia's mining revenue is expected this year as a result of increasing gold production and the spur given to base metals by higher world prices.

Lode gold is expected by government experts to show a substantial gain, but at the time the last estimate was made the labor strike at the two Cariboo mines had not been called. While the general feeling is that this strike will not be prolonged, it will undoubtedly have some effect on production in that section.

Placer gold should show a marked increase, and Consolidated Gold Alluvials at Wingdam in the Cariboo should be a more important contributor to the total than in the past. Objective of the company is production of $1 million in gold during the current year.

Copper Output Up

Copper will be produced on a much larger scale this year, largely as a result of the resumption of operations by Granby Mining & Smelting Company at Allenby. This company started to produce ore again June 1, and its production has been sold to Japanese interests for the next three years.

"If copper should average 12½ cents per pound, almost the low for the year to date, there should be, due to increased volume production, an increase in value of about $3 millions compared with 1936," Dr. John F. Walker, deputy minister of mines estimates. "It is quite possible that this figure may be increased by $750,000 to $1 million."

Low Grade Development

Another important factor in the copper situation is the Britannia Mining & Smelting Company, Howe Sound's operating subsidiary. This company is now handling the lowest grade copper ore in the world, Assistant Manager C. V. Brennan told The Financial Post, but it is operating on a large volume basis and costs are extremely low due to efficient recovery methods.

Consolidated Mining & Smelting Company will account for most of the increase expected from lead, estimated to be between $3.5 millions and $7 millions. The same holds true of zinc, for which a gain of close to $5 millions is anticipated, due to higher values rather than to a substantial increase in production.

"If the mining industry functions smoothly throughout the year, the value of mine products may establish an all-time high record," remarks Dr. Walker. "If this is attained, it will be all the more gratifying, as it is not likely to be the result of a record tonnage output, but due to appreciably better metal prices."

The Manson Creek section is now regarded as having passed the prospect stage and production is expected on a profitable basis. The Hedley district, due chiefly to Mascot and Nickel Plate, continues to attract attention. The recent high of over seven cents a pound for zinc stirred the Slocan camp and several old properties resumed operations.

B. C. Nickel may enter the producing column before the end of the year—the first nickel mine to operate in the West.

Mining Corp. Installs Plant at Gordon Lake

A mining plant will be installed on the properties of Mining Corp. in the Gordon Lake mineral area northeast of Yellowknife Bay, Great Slave Lake, W. H. Woods, company geologists announced in Edmonton. A crew is at work clearing a 70-mile tractor road from Yellowknife to the property. Diamond drilling at this property has given encouraging results.

Extend Development At New Ribago Mines

Expansion of the initial development planned for the property of New Ribago Mines, in the Rouyn-Noranda copper-gold area of Quebec, has now been decided on, The Financial Post is officially informed. This decision, it is stated, is the result of discoveries made during the recent prospecting and surface exploration work on the previously unexplored section of the property. In this section, it is claimed, prospecting and stripping of the low-lying swampy ground, which covers a great portion of the claims, has resulted in the exposure of many quartz and sulphide veins, carrying varying values in copper and gold, some 21 of which have been exposed at intervals for lengths of from 50 to 350 feet, with widths from stringers of a few inches wide to one width of 40 feet.

Work has been under the direction of Walter H. Woods, as consulting engineer and Dr. James E. Gill, professor of geology at McGill University. Recently Dr. Carl Tolman, professor of geology at Washington University, St. Louis, Miss. has been added to the staff.

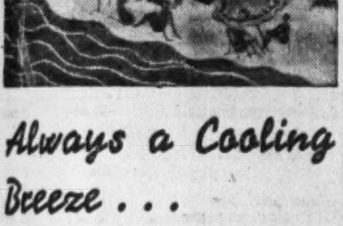
Water Routes of N. W. T. Busy Transport Arteries

From Our Own Correspondent

REGINA.—The 84-foot all-steel boat Radium Queen, shipped from Montreal to Waterways, Alberta in sections, delivered her first tow to Athona Mines, Goldfields, Lake Athabaska.

Pushing a 50-ton barge containing 135 tons of equipment, including a new Diesel power plant to replace the one destroyed by fire, the vessel made the trip of 325 miles in 38 hours with motors at half-speed.

The vessel is equipped with electric light and refrigeration, steam heat, running water and cabin space for a dozen passengers. It is propelled by two 160-h.p. Diesel engines. Northern Transport Co., which owns the craft, is putting a larger tugboat at Fort Smith, N.W.T. for operation on the Mackenzie River.



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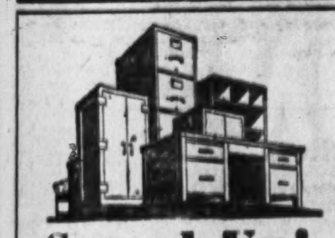

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A NEW CANADIAN PRODUCT

THOUGH it is used extensively in the manufacture of pulp and paper and in many other industries, sulphur has not hitherto been produced in Canada. During the last few years, Canadian imports of this important commodity have averaged over 150,000 tons a year.

In 1930, The Consolidated Mining and Smelting Company commenced construction of a large fertilizer plant near Trail, B.C. This plant, which cost over $15,000,000, has been operating successfully for several years and has converted waste gases from the company's lead and zinc plants into a complete line of nitrogenous fertilizers. Continuing its successful efforts to utilize these waste gases, the company recently perfected a new process for the recovery of sulphur.

The first sulphur unit is now in operation. It produces a remarkably pure elemental sulphur at the rate of 40 tons a day. A second unit of similar capacity is practically completed and will be in operation before mid-summer.

Thereafter, a production rate of about 25,000 tons per year will be maintained. A ready market for this output exists in the Pacific coast pulp and paper industry alone.

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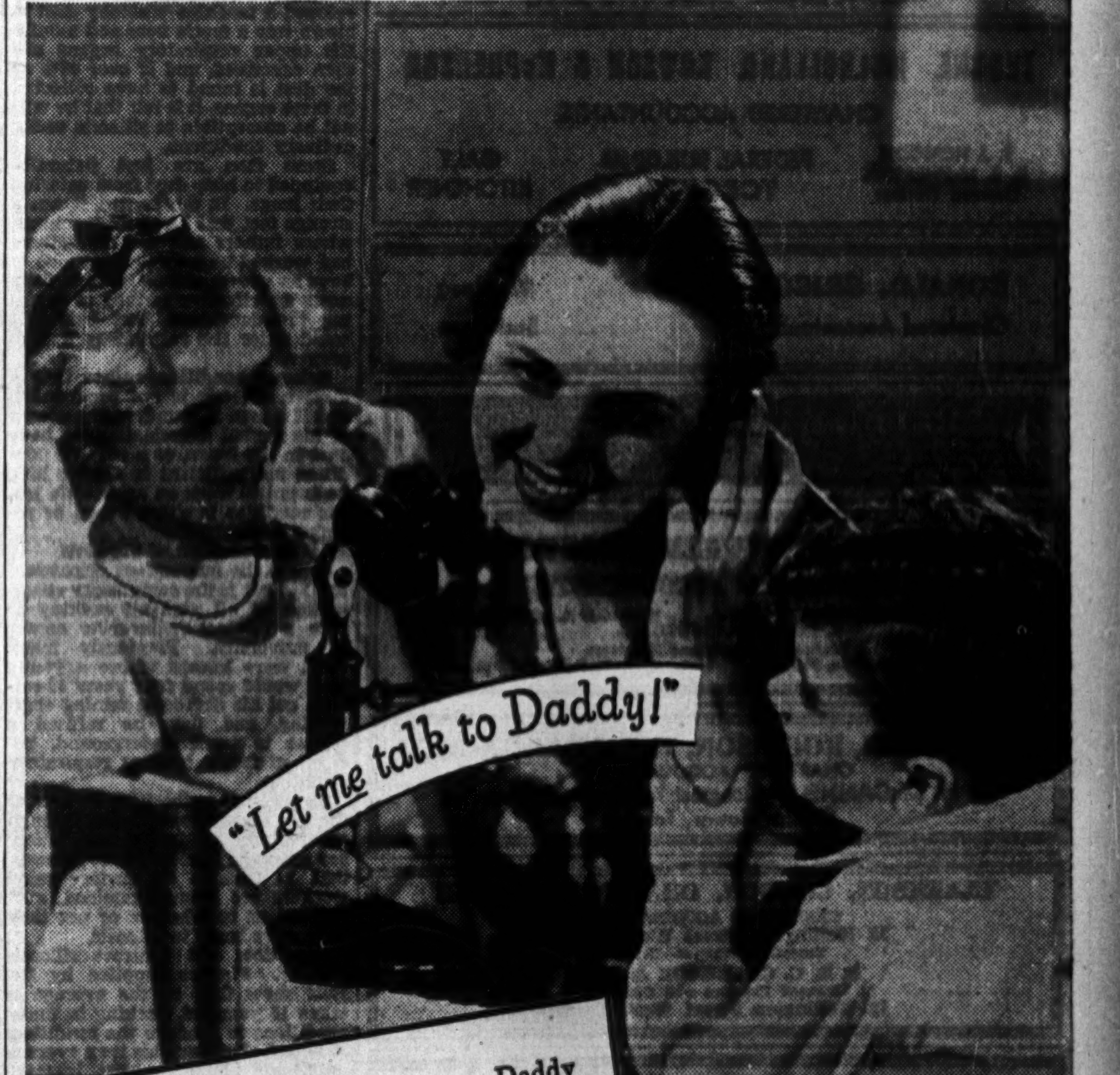
TELEPHONE TALKS IN THE WATSON FAMILY


"Let me talk to Daddy!"

TALKING out-of-town to Daddy when he goes away on business is really no novelty to Patsy and Donny. Bob Watson always makes a point of telephoning home each night. And what rivalry there is to be the first to let him hear that happy, "Hello, Daddy"!

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Aluminum Treatment Holds Out New Hope For Silicosis Curb

Experiments Conducted by Mining Engineer and Mine Doctor at Timmins and Toronto University Professor Bring Promising Results

Up at McIntyre Porcupine Mines, at Timmins, Ontario, a group of rabbits and guinea pigs have been finding out what it is like to live under the worst conditions a miner can face.

As a result of the sojourn of these little animals in an atmosphere impregnated with fine silica dust, a process has been evolved, so simple as to amaze the laymen, by which definite hope of conquering the miner's greatest curse, silicosis, has been raised.

Credit for this epocnal discovery, by which the greatest advance ever made against dread silicosis is hoped for, must go to J. J. Denny, M.Sc., metallurgical engineer at McIntyre, W. B. Robson, M.B., chief surgeon at the same mine, Dr. Dudley A. Irwin, associate professor, department of medical research, University of Toronto, officials of the Banting Institute, and of the mine itself, and, of course, to the 240 rabbits and 120 guinea pigs who, willy nilly, assisted in the experiments.

Burden of Silicosis

The burden which silicosis has placed on industry cannot be assessed numerically or in dollars and cents. The condition, (silicosis is regarded as a condition, not as a disease) is dreaded not so much because of its prevalence, but because of its sinister approach and the individual hardships, and suffering which it causes. Actually, according to figures supplied The Financial Post by Dr. C. H. Hair, president of Academy of Medicine and medical officer for Accident Prevention Associations, the incidence of silicosis is approximately ½ of 1%. Of the 10,000 men employed, on an average, underground in Ontario mines, between 1932 and 1936, an average of only 18 cases a year was reported. Since the problem of silicosis was first taken seriously by Ontario authorities in 1926, the province has paid out the amazingly small total of $1,783,197.41 in compensation, medical aid, and the cost of handling and administering claims.

Individual suffering, however, cannot be assessed in such small terms. In addition, the condition is not confined to mining, but is found in all industries and occupations in which silica dust is fanned into the air.

Thus the importance of the new discovery can hardly be exaggerated. A paper describing the process, prepared by Denny, Robson and Irwin, was read recently before the Academy of Medicine, and is published in the current issue of the Journal of the Canadian Medical Association.

Chemical Action

Silicosis, which is the most important industrial disease, is caused by the inhalation of fine, freshly broken particles of silica quartz into the lungs. Formerly it was thought that the irritation of these particles was the cause of the condition. Latterly it was believed (and the new process confirms this belief) that a chemical action takes place, by which the silica is dissolved into the body fluid, and causes fibrotic changes in the lung.

Silicosis, according to Dr. Hair, does not directly cause tuberculosis, but predisposes the sufferer to tuberculosis and similar afflictions. Conversely, tubercular conditions leave the patient susceptible to silicosis.

In November, 1932, McIntyre's medical staff, aided financially by officials of the company, decided to conduct experiments with animals. Some 50 guinea pigs were placed in the crusher house tunnel of the mill, where the dust contained about 35% free silica. The animals were left there for periods as long as a year. No silicosis condition was found on autopsy, although a considerable quantity of dust was found to have collected at the bottom of the lung.

The investigators, working on the theory that fibrosis was caused by chemical and not mechanical action, decided that if some material could be introduced into the lung with the silica dust, which would lower the solubility of the latter, the cause of the condition would be removed.

Metallic Aluminum

The second element must, of course, be non-injurious itself. Many were tried, but were discarded for one reason or another. Finally, on March 4, 1936, Denny and Robson discovered that a small amount of metallic aluminum if present, almost completely prevented silicious material from passing into solution.

It has now been established that the introduction of only 2% aluminum lowers the solubility of silica by 96%.

But would the introduction of aluminum into the lungs result in any injurious effects? Only actual tests could prove this.

Accordingly, a group of rabbits was subjected to silica dust alone, and another to silica dust with a small addition of aluminum particles. The animals were sent from time to time to Dr. Irwin in Toronto. These experiments showed that the rabbits exposed to silica dust contracted silicosis in varying degrees of intensity, while those subjected to the mixture showed minimal or no fibrosis of the lungs. Moreover, and equally important, was the fact that the aluminum particles were found to have left no mark on the lungs or other organs of the animals' bodies.

Cheered by this discovery, the little group of experimenters, unknown to the public continued their experiment on a larger scale, making certain, in true scientific style, of the truth of their beliefs before making them known. To make a long story short, these further experiments definitely established, beyond doubt, that introduction of a very small quantity of metallic aluminum inhibited the solubility of silica, thereby preventing the fibriotic condition known as silicosis.

Action is Unknown

Why does this happen? Does the silica and aluminum form a chemical compound or is the reaction electrical? The Post asked Dr. Hair this question, and got the reply that nobody knew, as yet.

It is natural that Ontario, leading mining province, should lead the way in Canada in the handling of silicosis cases. Even in that province, however, adequate means of coping with the problem are of comparatively recent date. First compensation for silicosis, was paid in 1926, although compensation had been paid prior to that date for miners' phthisis. In 1926, assessments were first collected, largely based on the South African method of assessing liability and disability. Today, examining centres have been established in four main centres, Timmins, Kirkland Lake, Sudbury, and Fort William. Every miner must undergo examination once a year at one of these centres.

Broadly the basis of compensation is that if a man is disabled from silicosis, he gets a pension of 66 2/3 of his average income for the previous six months. If, as a complication of silicosis, he has tuberculosis also, he gets 50% of his earnings, plus all medical aid and attention free.

In the early days, the tendency was to allow a man a miner's certificate if he had a well-healed tubercular condition. Now, however, the rule is strict, and no man who has had tuberculosis, even though fully recovered, is allowed to work under conditions likely to result in silicosis.

One of the things which Dr. Hair, during his long experience in such matters, has ascertained, is that two men may be working for exactly the same length of time in exactly similar conditions, and only one contract silicosis.

Asked if there was any way of determining, beforehand, whether a man was susceptible to silicosis or not, Dr. Hair replied that in a general way there was. If it was found that an applicant for a miner's license had faulty upper respiratory organs, he was not allowed to work underground. Germans have developed a machine whereby dust is blown into a man's nose and mouth. His upper respiratory organs are then examined, and if over 45% of the dust is found to have collected in these organs, it is felt that he will not be susceptible to silicosis under ordinary conditions.

Some men are just naturally equipped to keep dust from entering their lungs. In this regard, it was a strange fact that Lancashire miners, whose fathers and fathers' fathers had worked underground, tended to have an excess of long hairs in their noses an effective method of catching the dangerous dust before it could enter the respiratory system proper.

Being a condition, rather than a disease, silicosis is not progressive, and if a man is found, in the course of his annual examination, to have dust in the lungs, or a silicosis condition not sufficient to disable him, he is put to work on an outside job. His condition is either cured, or remains static.

Examination of Students

One of the innovations introduced by Dr. Hair is the compulsory examination of all students seeking to take a mining engineering course at university. Previously many cases were known where a young man would spend four years at college, get his degree in mining engineering, and then be refused a license to work underground, because of faulty lung or respiratory condition.

So sure are authorities by now of the fact that certain people, through tuberculosis or faulty respiration, are naturally susceptible to silicosis, that in Ontario all surface mine workers are being examined, and, notified as to whether or not they have a tendency to silicosis.

One does not contract silicosis quickly. Figures supplied by Dr. Hair show that on the average it takes 15 years of working in dusty conditions to produce the condition, although of course, this is an average only, and some contract it more quickly than others.

In all mining provinces, steady progress has been made in the direction of checking silicosis. For the last two years in Ontario, a technical silicosis committee, working in conjunction with the Workmen's Compensation Board, and composed of four representatives from the bigger mines, has been studying the problem, particularly from a medical and ventilation angle. Much progress has been made along these lines, and along the lines of wet and dustless drilling.

Algoma Terminals Interest Deferred

Bondholders of Algoma Central Terminals Ltd. have approved proposals for further deferment of interest on the 5% first mortgage debenture stock.

At a meeting in London, England, June 24, bondholders approved postponement of interest due from June 30, 1937, to Dec. 31, 1938, inclusive, until June 30, 1939, or such later date as may be decided upon up to June 30, 1942. Also, bondholders had granted their committee power to postpone the due date for interest from June 30, 1939, to Dec. 31, 1941, until such date as may be fixed by the committee but not later than June 30, 1942.

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Professionial Workers Form Canadian Union

First Dominion Unit of American Inter-Professional Association is Organized in Toronto —Activity in Ottawa

A current movement on both sides of the Canada-U.S. border for organization of professional workers has crystallized in Toronto with formation of the first Canadian unit of the American Inter-Professional Association. Organization of a second branch in Ottawa may result, it is reported, from interest being evinced in professional circles in the capital.

The movement parallels and apparently derives part of its ideological inspiration from the drive now under way on this continent for extension of aggressive unionism. Sponsors of the inter-professional project declare, however, that its basis and purposes bear no similarity to those of trade unionism and have a much broader sociological and educational scope.

Units such as that in Toronto are functioning in a number of the larger United States cities and are federated in a national association headed by Miss Mary Van Kleeck, director of industrial studies of the Russell Sage Foundation. A participant in the recent conference on Canadian-American affairs at Kingston, Miss Van Kleeck revealed possession of advanced views seeking to justify sit-down strikes, and upholding the industrial unions, such as John L. Lewis's C. I. O., as the road to industrial democracy and a greater share of the nation's wealth for labor.

A recent editorial in The Toronto Star, quoting Miss Van Kleeck as blaming all industrial violence on employers, was dropped after running through one edition of that paper.

Toronto Group Formed

Formation of the Toronto group was fostered by a number of local members of the professions, particularly university teachers and social workers. Actual organization was launched at informal week-end conferences several weeks ago and got under way at a general meeting which was addressed by Miss Van Kleeck on the subject of "Social Security and the Professions." Since then another general meeting advanced the plan beyond the provisional committee stage to the status of a local association.

Miss Van Kleeck's address emphasized the common interest in social security of wage earners, salaried workers, and "self-employed," practising professional people dependent on fees. She dwelt also on the "insecurity of professional workers," their contribution toward maintaining high living standards, for the community at large, and their function in combatting "the destructive forces which menace democracy and peace."

She said:

"Collective action in industry and the professions is the natural democratic method of bringing about necessary changes looking toward economic security, and to relate professional workers to the economic and social problems of today."

The Toronto body is not aimed at replacement or federation of existing professional organizations, but at uniting individual members of all professions in grappling with problems affecting professional people generally. It is felt that conditions affecting the economic and social welfare of professional workers also affect their ability to serve the community at large and to contribute to social and economic progress.

The primary objects of the Toronto association are declared to be to establish by study the problems of professional groups, to determine means of adjusting such problems, and to rally public support behind these efforts. Already more than 100 persons have joined the association or shown interest in the movement, and represent such professions as teachers, university professors, musicians, nurses, artists, writers, doctors, dentists, social workers, architects, engineers, chemists, accountants, clergymen and liabrarians.

The present organization is headed by Prof. E. J. Urwick, department of political science, University of Toronto. Miss Margaret Gould, secretary of the Toronto Child Welfare Council, author last year of a series of newspaper articles on Russia in the pro-Soviet Toronto Star, is acting secretary in the absence from the city of Harold S. King, provisional secretary.

Others on the executive committee include L. Kasdan, oculist; Boris Berlin, pianist; Miss Mary Smart, school librarian; Mrs. Hilda Burpee, accountant; F. L. Sutherland, engineer; Miss Blodwen Davies, writer; Brough McPherson, economist; and John Risk, barrister.

Beatty's Sales Continue to Rise

W. G. Beatty, president of Beatty Bros. Ltd., manufacturers of a wide variety of electrical and mechanical equipment, including farm implements, reports improved sales in a letter to Canadian Machinery and Manufacturing News. He states:

"Since Sept. 1, 1936, the begining of our present financial year, our sales have been showing a very satisfactory percentage increase over each corresponding month of the year previous. These increases cover all of our varied products and are enjoyed by practically all our 100-odd stores and branches in Canada, the British Isles and New Zealand. As the year advances, the rate of increase is becoming greater."

For the six months ended Feb., 1937, The Financial Post understands the company's sales increase amounted to about 17%, and Mr. Beatty's letter indicates further gains. He does not mention in his letter the question of increases in costs of materials or the extent of the influence of increased sales on the company's earnings. Last year earnings amounted to 42 cents a share on the class A stock.

Scramble for Air Control Marks Trans-Canada Plans

(Continued from page 11)

club for $1 a year, the 200-acre tract forms part of 700 acres which has been considered as one of the two airports it is now proposed to develop at Toronto.

The present airport plan at Toronto, drafted by an advisory committee and approved by the government before submission to the City Council, calls for creation of a combined airplane and seaplane base on the island, with an auxiliary airport on the outskirts of the city for wheeled planes to use when bad flying weather creates a risk in landing at the island.

Toronto Island Site

The chief advantages of the island site are that it can be used by both types of 'planes, that the land is all controlled by the city, and that the location is within 10 minutes driving distance of the postal terminal, the railway station and the downtown district. Opponents of the scheme contend that it is too close to the high buildings along the waterfront, that runways will not be long enough to permit safe landings and takeoffs over the water, and that the site cannot be expanded to allow long runways except at tremendous costs for dredging and filling.

These objections have been countered by provision for an auxiliary airport at one of two sites. One is known as the Wilson Avenue site, location of the Flying Club field, and the other is near Malton, 17 miles from the heart of Toronto. The Toronto airport advisory committee left the choice to City Council, though some members of the committee favored Malton because development would cost approximately $500,000 less, would be away from built up areas, and would permit of future expansion if necessary.

According to the revised cost estimates submitted to the City Council, the combined cost of developing the island as a main base with Malton as an auxiliary would be $1,886,000; for the island with Wilson Avenue, $2,421,000. The federal and provincial governments have pledged contributions totalling $900,000 toward either scheme. These cost figures are based on plans for three landing strips (two paved) at both the main airport and the auxiliary. If the runways were extended to 5,000 feet, or if either Wilson Avenue or Malton were developed as the main base with 5,000-foot runways, leaving the island as a seaplane base exclusively, the cost would be increased to nearly $4,000,000.

The Toronto city fathers have been faced by insistence from some quarters that even 5,000-foot runways, particularly at the island, will be inadequate for large transport 'planes or rapidly will become inadequate. This school of thought contends that the airport must be established on land with larger runways, unless Toronto is to be merely a calling place for smaller 'planes operating on "shuttle services."

To offset this, advocates of the island and its convenience to the city point to a recent official move in England to limit runways at commercial fields to 4,000 feet and simultaneously to encourage 'plane manufacturers to adapt larger machines to such facilities. In addition, they cite the report this year of the U.S. Senate committee on air safety which investigated air transport crashes in various parts of the United States. This report said:

"It is now a well established fact that all major air terminals need not only a close-in airport but also an auxiliary instrument landing terminal. One should be close-in, or the most convenient airport to the centre of the community, and the other ought to be located a considerable distance out in the suburbs, on land possessing all the natural benefits of a safe airport, such as perfect approaches.

"The close-in airport should be the best obtainable, but may be subject to limitations and restrictions in bad weather—90% of the time for airliners, the public, and the postal authorities because of its proximity. It should be reserved at all times exclusively for scheduled air transport. The auxiliary 'far out' field should normally be confined to private, non-scheduled flying. In bad weather, however, it would be employed by the airlines in blind landings when private fliers are seldom in the air.

"During the past year the trend has been toward using this combination of two airports, notably at Los Angeles, Pittsburgh, Detroit, and the New York metropolitan area, including Newark."

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Canadian Wineries Directors Change

Election of directors of Canadian Wineries, Ltd., at the annual meeting on June 30, 1937, resulted in A. G. Sampson, general manager, and J. A. Miller, Toronto, being placed on the board. They are replacing K. F. Mackenzie, K.C., and F. W. Lee. Other directors were re-elected.

F. W. Lee was the former president of the company who was replaced by F. R. Ramsay as result of the change in control at the annual meeting on July 10, 1936, when Hon. W. D. Ross and his associates were successful in ousting the former management. In addition to F. W. Lee, K. F. Mackenzie, K.C., was the only other member of the directorate re-elected at the 1936 meeting.

Efficient
Dependable
Impartial

WE GO ON FOREVER

THE
EASTERN TRUST
COMPANY
330 BAY ST., TORONTO
H. C. OXLEY, Manager

REGISTRAR
TRANSFER AGENT
EXECUTOR
FINANCIAL AGENT
TRUSTEE

Dominion Textile Company Limited

BOARD OF DIRECTORS *and* OFFICERS

President: Sir Charles B. Gordon, G.B.E. *Vice-President:* Sir Herbert S. Holt
J. P. Black W. A. Black Sir Frederick Williams-Taylor J. G. Dodd

Managing Director: G. B. Gordon
Secretary: L. P. Webster *Treasurer:* R. A. Lang *Asst. Sec.-Treas.:* W. A. Eversfield

BALANCE SHEET

As at 31st March, 1937

ASSETS

Current:		
Cash on Hand and in Bank		$ 46,083.35
Bills and Accounts Receivable—Trade less Reserve		3,156,583.33
Accounts Receivable—Other		52,591.20
Inventories—		
Raw Cotton, less Reserve	$ 1,755,449.59	
Merchandise and Supplies	2,649,433.06	
		4,404,882.65
As determined and certified by the Management, and valued: (1) As to Raw Cotton, at cost which before deducting Reserve was below average market price. (2) As to Merchandise, at less than cost or market price. (3) As to Supplies, at cost less amounts written off.		
Marketable Securities, less Reserve (Market value $3,795,669.50)		3,312,641.15
		$10,972,781.68
Investments and Advances:		
Investment in Subsidiary Companies, less Reserve	$ 3,686,246.80	
Accrued Dividend Receivable from a Subsidiary Company	57,500.00	
Due by Subsidiary Companies	164,914.59	
Other Loans and Mortgages, etc.	28,865.45	
		3,937,526.84
Fixed Assets:		
Land, Buildings and Machinery		28,975,570.09
Valued as per appraisals of Canadian Appraisal Company, 1920, plus additions to date at cost, less amounts written off.		
Deferred Charges:		
Prepaid Insurance, Taxes, etc., applicable to future operations	$ 92,346.09	
Premium on Bonds Redeemed and Discount on Bonds Issued	301,500.00	
		393,846.09
		$44,279,724.70

LIABILITIES

Current:		
Bank Overdraft		$ 184,896.33
Cotton Acceptances		543,372.77
Accounts Payable		497,621.57
Provision for Taxes		358,530.46
Accrued Wages		296,000.00
Due to Subsidiary Companies		5,722.44
Accrued Interest on Bonds		16,548.75
Deposit Accounts		124,317.58
Preferred Dividend Payable 15th April, 1937		33,960.50
		$ 2,060,970.40
Reserves:		
Reserve for Depreciation	$11,659,233.31	
General Reserve	266,552.43	
Contingent Reserve	150,000.00	
		12,075,785.74
Twenty Year First Mortgage Sinking Fund Bonds 4½% Series "A" due 1st March, 1955—		
Authorized and Issued	$ 4,500,000.00	
Less: Redeemed	87,000.00	
		4,413,000.00
Capital Stock:		
Preferred 7% Cumulative— Authorized 20,000 Shares $100.00 Par Value.		
Issued 19,406 shares	$ 1,940,600.00	
Common— Authorized 350,000 shares No Par Value.		
Issued 270,000 shares	18,375,000.00	
		20,315,600.00
Earned Surplus		5,414,368.56
		$44,279,724.70

Approved on behalf of the Board: C. B. GORDON, *Director.* H. S. HOLT, *Director.*

AUDITORS' CERTIFICATE

We have audited the books of account of Dominion Textile Company Limited for the year ended 31st March, 1937, and have obtained all the information and explanations we have required.

In accordance with Section 114 of the Companies Act 1934, we report that (1) the aggregate profits, less losses of Subsidiary Companies exceed the amount included in the Profit and Loss Account of Dominion Textile Company Limited; (2) in respect of one Subsidiary Company, its loss for the year has been added to its accumulated deficit, and no provision for this loss has been made in the accounts of Dominion Textile Company Limited.

There exist Contingent Liabilities in respect of certain Patent Litigation and the possibility that the Dominion Government may consider that it has a claim for Income Tax adjustments.

It is impossible to predict or estimate at this date the amount of liability, if any, in connection with these claims.

Subject to the foregoing, we certify that, in our opinion, the attached Balance Sheet and relative Profit and Loss and Surplus Accounts are properly drawn up so as to set forth correctly the financial position of Dominion Textile Company Limited as at 31st March, 1937, according to the best of our information and explanations given to us and as shown by the books.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, Que., 17th June, 1937.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to state, after having had to report unsatisfactory results for the last two years, that, during the year now under review, dividend requirements were fully earned. This showing has been made in the face of extraordinary demands upon the resources of the Company which, with the narrow margin prevailing in our business, we were ill prepared to meet.

You will note in the Statement of Profit & Loss Account an item of $50,792.00 for Legal Fees, largely occasioned by the necessity of retaining Counsel to appear on the Company's behalf before the Royal Commission on the Textile Industry during many months of the past fiscal year.

The financial figures show that, after meeting all charges and paying the regular Preferred and Common Dividends, there has been an amount of $20,945.82 added to Surplus Account. Inventories at the close of the year were taken at conservative values, and, where deemed advisable, provision has been made for contingencies. The sum of $150,000.00 has been set up as a Contingent Reserve against the possible outcome of Patent Litigation and other contentious matters now pending.

We have been fortunate in securing a good volume of business over the past twelve months or so despite further reductions in the tariff during the interval. Under less favourable circumstances, the present tariff may prove quite inadequate to protect our wage levels and other costs of operation. Our main competitors, namely, Lancashire and the United States, have not been so hard-put recently to find outlets for their vast production in this market and, as a result, we have had some measure of relief from the type of competition we have long been accustomed to meeting from those sources. While Japan has made great headway, both in cottons and rayons, the total volume of these exports to Canada has not yet reached serious proportions, although it promises to do so if the present rate of increase continues unabated.

Despite certain unfavourable aspects of the situation facing us, we are proceeding to carry on the business of the Company on the assumption that there still is a place in Canada for an industry and a Company which gives gainful and steady employment at good wages while producing and marketing in an efficient manner, and at a small margin of profit, goods which are an essential factor in the national economy.

Buildings and machinery have been maintained in a good state of repair, and it has been decided to construct an addition to the Print Works at Magog in which will be segregated certain types of work now being carried on in the main plant.

Our employees enjoyed practically continuous full time employment over the last six months of the fiscal year. The Management of your Company long has been aware of the need for, and benefits arising from happy relations with all classes of employees. Surveys of our mills have shown that working conditions are healthful and that neither men nor women employees are subjected to undue physical, mental or nervous strain. Increased productivity, resulting from technological advances, has been matched by an equal increase in the worker's real wage.

The time, patience, and strength of the Staff have been taxed heavily during the past year or so, but all demands have met with a full measure of response.

In England the prosperity of manufacturing industry is the concern of every government irrespective of its party label. Taking an example from our own branch of industry, the rationalization of the Lancashire cotton mills, which is now in progress, has been planned and is being carried out by representatives of the industry who are working in close co-operation with the Government. Essentially, the Lancashire rationalization consists of scrapping or closing inefficient plants in order that the well managed concerns may continue to do business at a profit. We do not suggest that our industry in Canada needs such assistance from the Government, but we would welcome an informed appreciation of our position in Canada's economic structure. In particular, it needs to be understood that the well-being of agriculture and of industry in this country are not opposed to each other but are interdependent. In other words, we cannot increase the prosperity of the farmer by destroying or curtailing the prosperity of the manufacturer. Until it is fully realized that prosperity in manufacturing means operating at a profit and that such a condition is desirable from every standpoint, the way is not very clear ahead for industry in Canada.

Submitted on behalf of the Board.

C. B. GORDON, President.

PROFIT AND LOSS ACCOUNT

For Year Ended 31st March, 1937

Net Trading Profits, before Depreciation		$ 3,012,399.60
Deduct:		
Provision for Depreciation	$ 1,221,629.19	
Directors' Fees	10,990.00	
Remuneration of Executive Officers	72,554.50	
Legal Fees	50,792.00	
Interest on Bonds	199,410.00	
Premium on Bonds Redeemed	2,200.00	
Provision for Income Tax	285,383.56	
		1,842,959.25
Net Profit from Operations		$ 1,169,440.35
Add:		
Interest on and Profit from the sale of Investments and Other Income		504,097.47
Net Profit transferred to Surplus Account		$ 1,673,537.82

SURPLUS ACCOUNT

As at 31st March, 1937

Balance at Credit 1st April, 1936		$ 5,393,422.74
Add:		
Net Profit for the year ended 31st March, 1937		1,673,537.82
		$ 7,066,960.56
Deduct:		
Amortization of Bond Premium and Discount	$ 16,750.00	
Transfer to Contingent Reserve	150,000.00	
Dividends on Preferred Stock	135,842.00	
Dividends on Common Stock	1,350,000.00	
		1,652,592.00
Balance at Credit 31st March, 1937		$ 5,414,368.56

Audited and Certified in accordance with our Certificate.

Montreal, 17th June, 1937

P. S. ROSS & SONS, Chartered Accountants.